

AGENDA



Recommendation for Council Action

Austin City Council		Item ID	32797	Agenda Number	33.
Meeting Date:	6/12/2014			Department:	Neighborhood and Community Development
Subject					
Authorize negotiation and execution of a modification to the Neighborhood Commercial Management Program (NCMP) loan to SOUTHWEST KEY PROGRAM, INC., to amend the terms of the loan to "deferred forgivable" through 2030.					
Amount and Source of Funding					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:	January 27, 2005 – Council approved the negotiation and execution of a loan in the amount of \$624,000.				
For More Information:	Contact Elizabeth A. Spencer, Director, Neighborhood Housing and Community Development, 512.974.3182.				
Boards and Commission Action:					
MBE / WBE:					
Related Items:					
Additional Backup Information					
<p>On January 27, 2005, Council approved the negotiation and execution of a Neighborhood Commercial Management Program (NCMP) loan to Southwest Key Program, Incorporated (Southwest Key) in an amount not to exceed \$624,000 in Community Development Block Grant funds. The funds were used for the construction of an approximate 32,000 square foot facility to house the corporate offices of Southwest Key, an alternative school, community computer lab, and business incubator all of which led to the creation of 18 jobs primarily for low- to moderate-income individuals.</p> <p>The purpose of the NCMP was to assist in revitalizing blighted or depressed commercial districts by providing financial assistance to eligible small businesses within the City of Austin's city limits in exchange for job creation or retention for low- and moderate-income individuals. The federal grant requirement has been met.</p> <p>The NCMP loan was executed on December 21, 2005 for \$624,000 with zero interest (0%) for a term of 25 years with no payments due in years one through five and monthly payments amortized over the remaining 20 years. With waivers of the following program guidelines:</p> <ol style="list-style-type: none">1. Requirement for the maximum loan value not to exceed \$250,000;2. Requirement for the loan to be fully amortized with equal monthly principal and interest payments; and3. Requirement for personal guarantees. <p>Southwest Key has paid \$109,200 towards the balance and is requesting that the remaining balance (\$512,200.00) of this loan be forgiven in order to use funds for further programming.</p>					