



Recommendation for Action

File #: 21-2555, **Agenda Item #:** 8.

8/26/2021

Posting Language

Authorize negotiation and execution of a U.S. Department of Housing and Urban Development Section 108 Family Business Loan with Salvadanaio LLC for purchase of Asti Trattoria and related assets of a business located at 408 E. 43rd Street, Suite C, Austin, Texas 78751, in an amount not to exceed \$232,000.00.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$232,000.00 is available in the Fiscal Year 2020-2021 U.S. Department of Housing and Urban Development (HUD) Section 108 Family Business Loan Program Fund Operating Budget of the Economic Development Department.

Prior Council Action:

May 24, 2012, Council approved Resolution No. 20120524-015 creating the Family Business Loan Program and Ordinance No. 20120524-016 to authorize the Family Business Loan Program's fees.

August 29, 2013, Council approved Resolution No. 20130829-027 authorizing the acceptance of \$8,000,000 in grant funds from the HUD Section 108 Family Business Loan Program.

February 25, 2016 - Council approved Resolution No. 2016 0225-013 authorizing issuance of a note and contract with HUD in an amount not to exceed \$3,000,000 to fund the program.

August 31, 2017- Council approved Resolution No. 20170831-010 authorizing issuance of a note and contract with HUD in an amount not to exceed \$5,000,000 to fund the program.

For More Information:

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Xavier Zarate, Small Business Division Manager, Economic Development Department, 512-978-2502.

Additional Backup Information:

Salvadanaio LLC is seeking to finance the purchase of a restaurant business enterprise and related assets in addition to working capital for Asti Trattoria located at 408 E 43rd Street, Suite C, Austin, Texas 78751 in District 9.

Asti Trattoria is a locally owned Italian restaurant founded in 2000 by William and Lisa Fox and will be purchased by the principals of Salvadanaio LLC. Located in the Hyde Park neighborhood, Asti has served as a community gathering place for fresh pasta, homemade pizza and family dining for over 20 years.

The project will result in the creation of not less than seven full-time jobs within five years, of which 51% or more will be offered to Low-To-Moderate Income (LTMI) persons; equivalent to approximately one job for

every \$33,143 in Family Business Loan Program (FBLP) loan funds, exceeding U.S. Department of Housing and Urban Development (HUD) standards. Per HUD requirements, FBLP borrowers are required to create at least one full-time job for every \$35,000 in loan funds borrowed.

The FBLP Loan Review committee recommended approval of this loan to Salvadanaio LLC based on the owner's history of creating a successful business enterprise, financial strength of the transaction and owner's commitment to job creation benefiting low-to-moderate individuals as defined by HUD. This project is consistent with the Family Business Loan Program mission as approved by Council Resolution No. 20120524-015, to fund small business expansion that will create jobs, and with HUD Section 108 guidelines.

Strategic Outcome(s):

Economic Opportunity and Affordability.