



National Headquarters  
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July 30, 2014

Betsy Spencer  
Director, Neighborhood Housing & Community Development  
City of Austin  
P.O. Box 1088  
Austin, TX 78767

Received August 18, 2014  
Neighborhood Housing and  
Community Development

Dear Ms. Spencer:

Southwest Key Programs ("Southwest Key") is respectfully requesting conversion of the balance of its Neighborhood Commercial Management Loan from the City of Austin into a grant. The loan is dated December 21, 2005 in the original amount of \$624,000 with an annual interest rate of zero percent. Beginning on October 1, 2010, Southwest Key began making monthly payments of \$2,600. Payments have remained current. As of August 1, 2014, the balance of the principal loan amount is \$501,800.

At the May 1, 2014 meeting of the Austin City Council, Southwest Key leadership clearly heard Council's need for additional information to satisfy Council's consideration for loan forgiveness. Specifically, Council requested what Southwest Key would offer in terms of community benefit by eliminating its loan liability.

Savings from repayment of the loan will bolster Southwest Key's continuing efforts to improve lives and expand opportunities to East Austin residents by: offsetting expenses of the capital campaign for the East Austin College Prep Academy; continuing programming activities for East Austin Children's Promise; and building resident engagement and leadership so that long-term sustainable change is attained.

- **East Austin Promise Capital Campaign:** In its first phase, Southwest Key is raising up to \$7 million of a planned \$15.3 million for a revitalization project that will bring STEM-based education programs and social enterprises into the 9-acre southwest corner of Martin Luther King Jr. Boulevard and Webberville Road. Subsequent phases over the next 2-3 years will see significant investments in Southwest Key's remaining 28 acre, \$80 million development at the northwest corner of Martin Luther King Jr. Boulevard and US Highway 183. This strategic location will create a hub that could welcome, among other things, retail, nutritious food options, cultural events, hike and bike trails, affordable housing, and jobs, while catalyzing area residents into setting the tone for the future growth of their neighborhoods.
- **East Austin Children's Promise:** The strengths-based East Austin Children's Promise program was established in 2008 when Southwest Key's National Headquarters in East Austin first opened. Since that time, thousands of Austinites have benefitted through targeted programming, including: academically driven after-school and summer programs; and academic support and college awareness services. The program has expanded to include physical health and wellness programming, including monthly food distribution in partnership with the Capital Area Food Bank, community nutrition and exercise classes targeting youth, adults and seniors, as well as cultural arts programming.
- **Resident-Led Sustainable Change:** This program focuses on residents gaining a stronger role and voice in the policies, systems and structures that impact their daily lives. Through a leadership training program, named Good Neighbor Team Training (GNT<sup>2</sup>), residents build the capacity to



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become active change agents in their communities. Resident Guide Teams learn and work together with Southwest Key Programs' staff, other nonprofits, institutions, and technical experts to move community projects forward collectively. Through the residents' active engagement on projects and building relationships with others, they continue receiving coaching and mentoring while strengthening individual capacity. Opportunities are sought for engaging Resident Guide Teams, with the ultimate goal of residents creating and guiding changes they want to see. The GNT<sup>2</sup> Program has successfully graduated 3 classes since its inception in February 2014, and the graduates have engaged over 230 residents. Over the next 5 years, GNT<sup>2</sup> will have over 150 graduates who will focus on engaging approximately 3,500 residents.

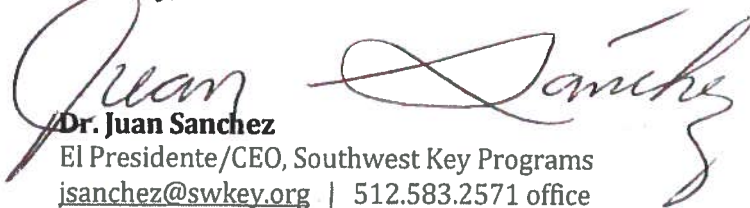
Southwest Key's service approach wraps around the community's ever-changing needs and provides a broad range of accessible services. Our programs impact multiple generations through:

- High-quality and culturally-competent educational programs;
- Employment opportunities;
- Community engagement; and
- Health and wellness programming.

Conversion of Southwest Key's existing loan to a grant will allow us to focus on future plans for the organization and our community while continuing to provide high-quality programming that has already assisted tens of thousands of residents with improved educational and economic opportunities.

Thank you for your consideration of this request. Please feel free to contact me with any further questions.

Sincerely,

  
**Dr. Juan Sanchez**  
El Presidente/CEO, Southwest Key Programs  
[jsanchez@swkey.org](mailto:jsanchez@swkey.org) | 512.583.2571 office

## Attachment to Southwest Key Programs' Loan Modification Request

Submitted by Southwest Key September 16, 2014

Below provides additional information on programmatic performance and assumed performance in specific programs if funding were to be redirected:

1. East Austin Promise Capital Campaign: East Austin College Prep has a current enrollment of 874, serving students in grades 2-11. Savings from loan modification will allow the school to reach an enrollment of at least 1,100.
2. East Austin Children's Promise Initiative: Through the wraparound services provided through the East Austin Children's Promise Initiative, Southwest Key will serve approximately 4,900 individuals in a range of programming, which includes: academically driven after-school and summer programs; academic support and college awareness services; physical health and wellness programming, including monthly food distribution in partnership with the Capital Area Food Bank; community nutrition and exercise classes targeting youth, adults and seniors, and: cultural arts programming.
3. Resident-led Sustainable Change: Good Neighbor Team Training (GNT<sup>2</sup>), a resident-led sustainable change program, will have over 150 graduates which will focus on engaging approximately 3,500 residents.