



## Recommendation for Action

**File #:** 20-2009, **Agenda Item #:** 8.

5/21/2020

### Posting Language

Approve a resolution authorizing the modification of the Austin Economic Injury Bridge Loan Program guidelines to align program guidelines with U.S. Department of Housing and Urban Development program approval requirements.

### Lead Department

Economic Development Department.

### Fiscal Note

This item has no fiscal impact.

### Prior Council Action:

May 24, 2012 - Council approved Resolution 20120524-015 creating the Family Business Loan Program (FBLP) and Ordinance 20120524-016 to authorize the Family Business Loan Program's fees;

August 29, 2013 - Council approved Resolution 20130829-027 authorizing the acceptance of \$8,000,000 in grant funds from the U.S. Department of Housing and Urban Development (HUD) Section 108 Family Business Loan Program;

February 25, 2016 - Council approved Resolution No. 20160225-013 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 on consent 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;

March 26, 2020 - Council approved on consent Resolution No. 20200326-088 approving the creation of a short-term bridge program for businesses impacted by Covid-19.

### For More Information:

Sylnovia Holt-Rabb, Deputy Director, Economic Development (512) 974-3131 or Xavier Zarate, Program Manager, Economic Development (512) 974-2502.

### Additional Backup Information:

On March 26, 2020 the Austin City Council approved a resolution authorizing the modification of the existing Family Business Loan, HUD Section 108 program to create the Austin Economic Injury Loan (AEIBL) Program. AEIBL is designed to provide a short-term funds to Austin small businesses and non-profits experiencing economic injury related to the global spread of Covid-19.

In accordance with terms of the agreement between the U.S. Department of Housing and Urban Development (HUD) and the City of Austin related to use of HUD Section 108 funding, the Council approval was submitted to HUD for consideration for changes to the existing program guidelines. In April 2020, the City of Austin Economic Development (EDD) received a conditional approval for the changes with noted exceptions including the exclusion of non-profits for financing of working capital funding under HUD Section 108 regulations. The

resolution seeks to revise the current guidelines to align with HUD conditional approval.

**Strategic Outcome(s):**

Economic Opportunity and Affordability.