



City of Austin

Recommendation for Action

File #: 24-4398, **Agenda Item #:** 29.

5/2/2024

Posting Language

Authorize negotiation and execution of a contract for professional consulting and economic development and lending services with Community Initiatives Development Corporation, for a term of three years in an amount not to exceed \$261,180.

[Note: Sole source contracts are exempt from the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Economic Development Department.

Fiscal Note

Funding in the amount of \$87,060 is available in the Fiscal Year 2023-2024 Operating Budget of the Economic Development Department.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Sole Source.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

This contract will provide consulting and lending services for various economic development projects and financing programs. The Economic Development Department manages the Family Business Loan Program, which makes low-interest loans for business expansions creating jobs for low-to-moderate-income residents. The program currently manages over \$5 million in Council-approved loans and is working to develop an additional \$6 million in new loans to local City businesses that agree to hire one low-to-moderate-income resident for every \$35,000 borrowed.

Community Initiatives Development Corporation is the current provider of these services. This contract replaces a previous contract that expired January 26, 2024. Community Initiatives Development Corporation is a nationally recognized expert in Housing and Urban Development Section 108 lending programs and has served as the department's program advisor and loan underwriter since 2012.

A delay in contract approval could impact the Economic Development Department's ability to continue the

Family Business Loan Program and create jobs for low-to-moderate-income residents.