

City Council – Action Request Form

Date: April 6, 2020

To: Mayor, Mayor Pro Tempore, and Members of City Council

From: Evan Raleigh, Assistant City Manager

Council Action Requested:

Resolution Authorizing Payment Deferral on All Outstanding City-Issued Loans in Funds 10, 12, 151, 153, 155, and 156 For a Six-Month Period

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The Coronavirus pandemic has placed an unprecedented strain on the national and global economies and has created significant hardships for both families and businesses all across the world. Due to the dramatic downturn in economic activity, the national unemployment rate is rapidly increasing and is anticipated to reach a historically high level in a matter of weeks. In an effort to alleviate financial hardships that may arise during this time for individuals, families and local businesses, this resolution approves the deferral of payments on all outstanding city-issued loans for a six-month period for loans in the following funds:

- Fund 10 – Home Investment Partnership Fund
- Fund 12 – Community Development Block Grants Fund
- Fund 151 – Urban Action Development Loan Fund
- Fund 153 – Housing Finance Assistance Loan Fund
- Fund 155 – Economic Development Loan Fund
- Fund 156 – Economic Development Project Fund

Committee Action:

Committee _____

Action _____

For _____

Against _____

Remarks:

Loans in these funds include, but are not limited to, those made to small businesses, housing rehabilitation projects, and economic development projects.

During the six-month deferral period, interest would not accrue on any of the loans in the aforementioned funds. Should this item be approved, (1) the six-month deferral period would be made effective April 1, 2020 and conclude on October 1, 2020 and (2) the maturity date of each loan would be extended by six months. The amount of interest income that would be deferred during the six-month period totals \$214,085.