

AN ORDINANCE

97123

**APPROVING THE HUD 108 LOAN GUIDELINES FOR THE CITY OF SAN ANTONIO; AUTHORIZING THE CITY MANAGER TO ACCEPT AND REVIEW APPLICATIONS FOR FUNDING THROUGH SAID PROGRAM; AND AUTHORIZING THE CITY MANAGER TO SUBMIT RECOMMENDATIONS TO THE CITY COUNCIL.**

\* \* \* \* \*

**WHEREAS**, the HUD Section 108 Loan Guarantee is a financing tool for Economic Development Projects that requires the City to pledge its future CDBG Entitlement funds as security; and

**WHEREAS**, the City has approved three (3) HUD Section 108 Loans; and

**WHEREAS**, two of the loans approved by the City in 1984, defaulted in 1988; and

**WHEREAS**, in order to protect future CDBG funds, shrinking Economic Development project funding resources and to answer recent demands for municipal funding support, staff recommends approval of a policy to govern the distribution of the HUD 108 resources; and

**WHEREAS**, said policy would provide incentives for fully secured projects, and allow for projects that demonstrate financial potential and are consistent with the City's revitalization strategy, but may not meet the typical financial structure required for economic development projects; and

**WHEREAS**, said policy will also set a limit of sixty percent (60%) of the City's 108 funding capacity for project funding to guarantee the availability of CDBG Entitlement funding; and

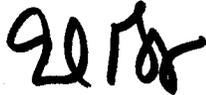
**WHEREAS**, it is the desire of the City to approve the HUD 108 Loan Guidelines for the City of San Antonio, authorize the City Manager to accept and review applications for funding through said program, and authorize the City Manager to submit recommendations for reviewed applications to the City Council; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The HUD 108 Loan Guidelines for the City of San Antonio are hereby authorized, and the City Manager, or in her stead, either the Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, or the City's Director of Housing and Community Development is hereby authorized to accept and review applications for funding through said program, and the City Manager, or in her stead, either the Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, or the City's Director of Housing and Community Development are hereby authorized to submit recommendations for reviewed applications to the City Council. Said HUD 108 Loan Guidelines are affixed hereto and incorporated herein for all purposes as Attachment I.

**SECTION 2.** This ordinance shall become effective on and after the tenth (10th) day after passage hereof.

**PASSED AND APPROVED** this 30<sup>th</sup> day of January, 2003.



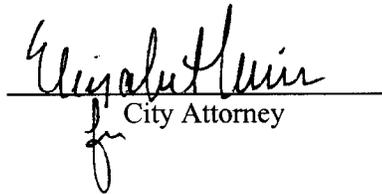
**M A Y O R**  
**EDWARD D. GARZA**

**ATTEST:**



City Clerk

**APPROVED AS TO FORM**



City Attorney