



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 1296-2017, **Version:** 1

BACKGROUND:

The Economic Development Division has had a small business loan program (Economic Development Loan Program) since the early 1980's. This loan program was funded by Community Development Block Grant (CDBG), Urban Development Action Grant (UDAG) and Urban Site Acquisition Loan (USAL) funds allocated to the City over the years.

City Ordinance 1190-2009 authorized the Development Director to sign various documents pertaining to authorization and servicing of the business loans closed prior to June 21, 2004. These documents include: loan modification agreements, term notes modification agreements, subordination agreements, forbearance agreements; satisfaction of mortgages, UCC filing and releases, consent agreements and assumption agreements.

Several loans which were closed after June 21, 2004 and were directly administered by the Economic Development Division through the Economic Development Loan Program now also require the Development Director to sign various documents pertaining to authorization and servicing of the business loan deals. These documents are the same as previously stated.

This legislation authorizes the Director of the Department of Development, or his designee, to sign various documents associated with the Economic Development Loan Program on loans closed after June 21, 2004 on behalf of the City of Columbus.

Emergency action is requested to allow the Director of the Department of Development to possess the authority to sign loan documents to avoid interruptions in program services for the preservation of the public health, peace, prosperity, safety and welfare.

FISCAL IMPACT: No funds are associated with this legislation

To authorize the Director of Department of Development, or his designee, to sign various loan documents on CDBG, UDAG and USAL repayment loans closed after June 21, 2004; and to declare an emergency.

WHEREAS, the Economic Development Division has had a small business loan program (Economic Development Loan Program) since the early 1980's; and

WHEREAS, this loan program has been funded by both Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) funds and Urban Site Acquisition Loan (USAL) funds, and,

WHEREAS, Ordinance 1190-2009 authorized the Development Director to sign various documents pertaining to authorization and servicing of the business loans closed prior to June 21, 2004, and,

WHEREAS, in the administration of the loan programs it is necessary to authorize the Director of Development, or is designee, to execute various loan documents on loans closed after June 21, 2004 on behalf of the City of Columbus.

WHEREAS, Emergency action is requested to allow the Director of Department of Development to sign various loan documents in a timely manner to avoid interruption program services. **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of the Department of Development , or his designee, is hereby authorized to sign the following loan documents on CDBG, UDAG and USAL repayment loans closed after June 21, 2004, in connection with the Economic Development Loan Program: loan modification agreements, term note modification agreements, subordination agreements, forbearance agreements, satisfaction of mortgages, UCC filings and releases, consent agreements and assumption agreements when consistent with the requirements of the regulations of the Federal Department of Housing and Urban Development (HUD) and pursuant to HUD approved City of Columbus underwriting guidelines.

Section 2. That for the reason stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.