



# City of San Antonio

## Legislation Details (With Text)

**File #:** 15-5470

**Type:** Staff Briefing - Without Ordinance

**In control:** Westside Development Corporation

**On agenda:** 10/19/2015

**Title:** Discussion and possible action on a recommendation to the Board of Directors regarding guidelines for the WDC Loan and Grant Program.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
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**ORGANIZATION:** Westside Development Corporation (WDC) - Project Committee

### POSTING LANGUAGE:

Discussion and possible action on a recommendation to the Board of Directors regarding guidelines for the WDC Loan and Grant Program.

### SUMMARY:

WDC staff will present revised loan and grant program guidelines for fiscal year 2016.

### BACKGROUND INFORMATION:

#### General

### FISCAL IMPACT:

### RECOMMENDATION:

#### FY2016 Program Funding Amounts

WDC staff recommends that program funding amounts remain the same as FY14 (i.e. 80% for loans and 20% for project).

- The Finance Committee has reviewed this recommendation on October 14, 2015, and recommends approval of the same amounts for FY15.

### Business Growth Grants Program

The Finance Committee reviewed these recommendations on October 14, 2015, and recommends approval of the guidelines and changes.

- WDC staff recommends adopting revised program guidelines. The following programmatic changes have been incorporated:
  1. Clearer definition of types of businesses that can receive grants
  2. Timeline for business who have received a Business Growth Grant regarding eligibility for additional grants.
  3. Timeline for businesses who have received WDC loan funds and eligibility for Business Growth Grant funds.
  4. Definition for size of business, based on gross revenue, that is eligible to receive the grant.
- WDC staff recommends awarding matching grants of up to \$5,000 per business. This is the same as FY14.

### WDC Loan Program

The Finance Committee reviewed these recommendations on October 14, 2015, and recommends approval of the guidelines and changes.

- WDC staff recommends adoption of revised external and internal loan program guidelines. The following programmatic changes are incorporated into the guidelines:
  1. Timeline for businesses who have received WDC loan funds and eligibility for Business Growth Grant funds.
- WDC staff recommends changing the minimum loan amount from \$5,000 to \$15,000.
- WDC staff recommends an internal policy of setting Loan Rates as follows based on client having a minimum of 1:1 ratios in debt service, current, and quick liquidity and meeting all management requirements:
  1. Competitive Fixed Rates of not less than 2% and not more than 3% over current money center bank prime rate as quoted in the Wall Street Journal. The locked rate of each loan will be set by the Finance Committee during application review.
    - A credit score between 550 and 600 = prime + 3%
    - A credit score between 600 and 650 = prime + 2.75%
    - A credit score between 651 and 700 = prime + 2.50%
    - A credit score between 701 and 750 = prime + 2.25%
    - A credit score of 751 or above = prime + 2%
    - No credit score = prime + 2.35%

Discount of 2 basis points off appropriate rate tier identified by credit score if applicant has ratios (debt service, current, and quick) that are each a minimum of 1:3 or above and who meets all management requirements but has a low credit

score.