

HAYWARD CITY COUNCIL

RESOLUTION NO. 16-

Introduced by Councilmember _____

RESOLUTION AUTHORIZING INCREASING THE ECONOMIC DEVELOPMENT
SMALL BUSINESS REVOLVING LOAN FUND MAXIMUM DISBURSEMENT
AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A LOAN AGREEMENT WITH
HAYWARD MYL RESTAURANT CONCEPTS, LLC.

WHEREAS, The City of Hayward is the recipient of Community Development Block Grant Funds; and

WHEREAS, in 1990, the City of Hayward created a Small Business Revolving Loan Fund (RLF) program to provide gap financing to small businesses in order to facilitate access to capital and leverage private sector funds to spur job creation; and

WHEREAS, the Small Business Revolving Loan Fund program allows for a disbursement up to \$100,000; and

WHEREAS, the maximum loan disbursement has not been increased since 1990 and CDBG program guidance allows larger loan disbursements on a case by case basis if determined as an eligible activity for fulfillment of the National Objectives (job creation, elimination of blight, benefitting low and moderate income households); and

WHEREAS, the City of Hayward has received confirmation from CDBG program oversight at the Department of Housing and Urban Development that larger loan disbursements for job creation would be an eligible activity for fulfillment of the National Objectives; and

WHEREAS, on July 18, 2016, the City of Hayward received a RLF Loan Application requesting \$200,000 from MYL Restaurant Concepts, LLC for gap financing for a full- service restaurant with a potential job creation of 25 jobs; and

WHEREAS, on August 10, 2016, the City of Hayward Revolving Loan Committee reviewed the application materials including a business plan and supporting financial documents and recommended approval of the loan; and

WHEREAS, the requested loan of \$200,000 would be a secured loan with a note placed on property owned by Michael LeBlanc; and

WHEREAS, the support of the loan request would facilitate the development of a potential catalytic full-service restaurant enhancing the Downtown Hayward as a destination for dining and entertainment.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Revolving Loan Fund maximum disbursement shall be an amount not to exceed \$200,000 and the City Manager is hereby authorized and directed to establish terms and enter into a loan agreement on behalf of the City of Hayward with Hayward MYL Restaurant Concepts, LLC in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2016

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward