

ADMINISTRATION

ORDINANCE NO.

CITY COUNCIL

BILL NO. 27 - 2020

MAY 13, 2020

AN ORDINANCE

An Ordinance of the Council of the City of Allentown authorizing a temporary transfer from the Revolving Loan Fund, in the amount of Four Hundred Five Thousand Seven Hundred Four (\$405,704) Dollars to the CDBG fund to temporarily assist with the Small Business Stabilization Program until C.A.R.E.S Act funds arrive.

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

SECTION ONE: Council authorizes a transfer in the amount of Four Hundred Five Thousand Seven Hundred Four (\$405,704) Dollars from the Revolving Loan Fund Account (008-1015) -Cash-C48918 to CDBG TD Bank account (4308927172).

SECTION TWO: That Council authorizes CDBG to repay the full amount of the transfer once the C.A.R.E.S. Act fund are received.

SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

SECTION FOUR: That pursuant to SECTION 218 of the City's Home Rule Charter and upon the affirmative vote of six of its seven members to reduce or eliminate the fourteen-day period between introduction and passage of any ordinance, this ordinance shall be effective immediately upon enactment.

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

In light of the COVID-19 pandemic impact on Allentown , The Department of Community and Economic Development for the City of Allentown determined that a portion of the funds the City will be receiving from the Department of Housing and Urban Development- CARES Act should be utilized for a Small Business Stabilization Program. However these funds will not be received from HUD for several weeks. By transferring the Revolving Loan Funds to the CDBG account, it allows us to allocate funds to businesses that need support without waiting for the CARES-Act allocation to arrive. Upon acquisition of the CARES-Act funds, the Revolving Loan Funds account will be replenished.

- **Summary and Facts of the Bill**

Ordinance - Small Business Stabilization Program

This legislation will allow the City to expend \$500,000 in funds on the Small Businesses in the City. This legislation has no adverse financial impact on the City and the General Fund.

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City’s Vision/Mission/Priorities**

We are requesting that the balance of funds located within the Revolving Loan Fund Account (008-1015) -Cash-C48918 be transferred to the TD Bank CDBG Program Account (4308927172) to fund the Small Business Stabilization Program managed by the Department of Community and Economic Development

- **Financial Impact – Please include the following in your explanation:**
 - **Cost (Initial and ongoing)**
 - **Benefits (initial and ongoing)**

This legislation will allow the City to expend \$500,000 in funds on the small businesses in the City. This legislation has no adverse financial impact on the City and the General Fund.

- **Funding Sources – Please include the following in your explanation:**
 - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

The funding sources for this ordinance are the federal Community Development Block Grant Program (CDBG-CV) funds that were issued strictly for use during the COVID-19 Pandemic

- **Priority status/Deadlines, if any**

This bill has a high priority status.

- **Why should Council unanimously support this bill?**

By passing this ordinance, it allows us to quickly allocate funds to businesses that need support without waiting for the CARES-Act allocation to arrive. Businesses that were forced to close by the Commonwealth's mandate, are moving closer toward permanent closure. With this program we hope to help prevent that for some Allentown businesses.