

**LEGISLATIVE FACT SHEET**

DATE: 08/03/18

BT or RC No: BT18-094  
(Administration & City Council Bills)

SPONSOR: Office of Economic Development  
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: Office of Economic Development

Provide Name: Kirk Wendland

Contact Number: 630-2455

Email Address: kwendland@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation.

(Minimum of 350 words - Maximum of 1 page.)

The Agreement with Accion East, Inc. ("Company") for management of the City's Access to Capital Program ("Program") was executed on May 3, 2017 and the Company officially launched the Program on June 1, 2017. To-date, Accion has approved and closed on 2 loans totaling \$48,034.50. Given the low volume of loans closed, combined with the current administrative fee structure, it did not financially make sense for the City to continue its Agreement with Accion. As a result, the decision was made to terminate the Agreement effective October 1, 2018 ("Termination Date").

The Program will be administered in-house by the Office of Economic Development ("OED"), with authority to review, underwrite, and administratively approve or deny loan applications. In order to facilitate this request legislation is necessary to approve and adopt Underwriting Guidelines for the Program. Further, Section 126.602, Ordinance Code must be revised to allow for a Private Entity or the Office of Economic Development to serve as the Program Administrator. Revisions to Section 126.602 are also required to authorize OED to execute all loan agreements and related documents authorized as part of the Access to Capital Program on behalf of the City in the event that OED serves as the Program Administrator.

The City has received \$6,807.77 in principal repayments to-date, which is being appropriated towards the loan pool. Further, \$90,000 is being transferred from Professional Services to Loans to allow for additional funds for the loan pool, leaving \$20,000 in Professional Services that may be used for Third Party Underwriting and/or Third Party Loan Closings, if necessary.

Staff reached out to Accion to discuss next steps regarding the outstanding loan portfolio. The two outstanding loans have terms of 36 months and 48 months, respectively. This would require the Company to continue to provide principal repayments and reporting on a monthly basis until the loan obligations are met. Based on discussions, the Company has offered to pay the City 92 percent of the remaining Principal Loan Balance at the Termination Date to fully meet the remaining loan obligations. This is based on Accion's estimated 8 percent default rate for the Program. The Company would have no further obligation to the City and the collection risk for these 2 loans would rest solely with Accion. The legislation would authorize the City to enter into a Termination Agreement with Accion, accepting the 92 percent payment offer from the Company; the Company would, in turn, have no further obligation to the City.

APPROPRIATION: Total Amount Appropriated: \$96,808 as follows:  
 List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding Source(s):	From: Access to Capital - Miscellaneous Sales and Charges	Amount: \$6,808
	From: Access to Capital - Professional Services	Amount: \$90,000
	To: Access to Capital - Loans	Amount: \$96,808
Name of In-Kind Contribution(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name & Number of Bond Account(s):	From: _____	Amount: _____
	To: _____	Amount: _____

**PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:**

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

The City has terminated its Agreement with Accion East, Inc. for Management of the Access to Capital Program, effective October 1, 2018. Administration of the Program will be done in-house by the Office of Economic Development. The City has received \$6,807.77 in principal repayments to-date, which is being appropriated towards the loan pool. Further, \$90,000 is being transferred from Professional Services to Loans to allow for additional funds for the loan pool, leaving a balance of \$20,000 in Professional Services to be used towards third party underwriting and/or loan closing.

**ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.**

**ACTION ITEMS:**

	Yes	No	
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Justification of Emergency: If yes, explanation must include detailed nature of emergency.</p> <div style="border: 1px solid black; height: 50px; width: 100%;"></div>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.</p> <div style="border: 1px solid black; height: 50px; width: 100%;"></div>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Note: If yes, note must include explanation of all-year subfund carryover language.</p> <div style="border: 1px solid black; padding: 5px;"> <p>1HM is an all years subfund. Carryover language is not required.</p> </div>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.</p> <p>Attachment &amp; Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?</p> <div style="border: 1px solid black; padding: 5px;"> <p>The legislation would authorize the City to enter into a Termination Agreement with Accion, accepting 92 percent of the remaining loan balance from the Company; the Company would, in turn, have no further obligation to the City.</p> </div>
Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Related RC/BT?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Attachment: If yes, attach appropriate RC/BT form(s).
Waiver of Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Related Enacted Ordinances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.</p> <div style="border: 1px solid black; padding: 5px;"> <p>2005-734-E, 2016-486-E, Section 126.602 Ordinance Code</p> </div>

**ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.**

**ACTION ITEMS:**

	<b>Yes</b>	<b>No</b>	
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Attachment: If yes, attach appropriate form(s).
Reporting Requirements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating reports.

OED shall provide a quarterly activity report to the JSEB Administrator and JSEB Monitoring Committee for the preceding three-month period. Reports are due within 30 days of the end of each calendar quarter.

Division Chief: *John R. Wardlaw*  
(signature)

Date: 8/3/18

Prepared By: *Wendy K*  
(signature)

Date: 8/3/18

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Thru: \_\_\_\_\_  
(Name, Job Title, Department)  
Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

From: Kirk Wendland, Executive Director, Office of Economic Development  
Initiating Department Representative (Name, Job Title, Department)  
Phone: 630-2455 E-mail: kwendland@coj.net

Primary Contact: Wendy Khan, Finance and Compliance Manager, Office of Economic Development  
(Name, Job Title, Department)  
Phone: 630-2197 E-mail: wkhan@coj.net

CC: Jordan Elsbury, Director of Intergovernmental Affairs, Office of the Mayor  
904-630-1825 E-mail: jelsbury@coj.net

**COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL**

To: Peggy Sidman, Office of General Counsel, St. James Suite 480  
Phone: 904-630-4647 E-mail: psidman@coj.net

From: \_\_\_\_\_  
Initiating Council Member / Independent Agency / Constitutional Officer  
Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Primary Contact: \_\_\_\_\_  
(Name, Job Title, Department)  
Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

CC: Jordan Elsbury, Director of Intergovernmental Affairs, Office of the Mayor  
904-630-1825 E-mail: jelsbury@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item:      Yes      No  
Boards Action / Resolution?                  Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

**FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED**