



City of West Allis

Legislation Text

File #: R-2020-0225, **Version:** 1

Resolution to consider Economic Development Loan and Housing Rehabilitation Loan deferments, interest forgiveness and amended loan terms to address business and homeowner needs during the COVID-19 national emergency

WHEREAS, the COVID-19 National Emergency has caused economic hardship for businesses and homeowners that have borrowed funds from the City's Economic Development Loan Program or the City's Housing Rehabilitation Loan Program; and,

WHEREAS, the Department of Development is recommending Economic Development Loan and Housing Rehabilitation Loan Program deferments, interest forgiveness and amended loan terms; and

WHEREAS, under this resolution, the City of West Allis Common Council would grant staff the authority to provide an application process, in which an example application is hereby attached by reference as Exhibit A, and the application review would include financial underwriting review, to provide Economic Development Loan and Housing Rehabilitation Loan Borrowers up to six-month loan deferments of principal and interest payments and/or reducing current interest rates to 0% for up to a six-month period based on the business and individual financial needs; and,

WHEREAS, at the end of the deferment period, Borrowers' loan Notes will be revised to amortize the remaining outstanding balance over the remaining term of the loan Note and full principal and interest payments would resume; and,

WHEREAS, the loan deferment and interest forgiveness, and amended loan term requests will be reviewed on a case by case basis and considered for approval by the Director of Development or his designee, in consultation with the Finance Director; and,

WHEREAS, the deferments will help businesses and individuals address cash flow deficits resulting from the mandated closures, layoffs or furloughs, and loss of sales based on the national pandemic.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis that it hereby approves an Economic Development Loan and Housing Rehabilitation Loan Program deferment, interest forgiveness and amended loan terms program to address business and individual needs during the COVID-19 national emergency.

BE IT FURTHER RESOLVED that the Common Council of the City of West Allis grant authority to the Director of Development or his designee, in consultation with the Finance Director to underwrite and to approve up to six-month loan deferments, reducing interest rates down to 0% and interest forgiveness during this time frame and up to six-month interest rate reduction or forgiveness to Economic Development Loan and Housing Rehabilitation Loan Borrowers based on business and individual needs.

cc: Development Department
Finance Department

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