

RESOLUTION NO. 6309

A RESOLUTION AUTHORIZING NEW TERMS FOR THE TWO HELPING HANDS LOANS

WHEREAS, Albany Helping Hands Homeless Shelter provides shelter and services to Albany's homeless individuals, and has been serving our community for more than 25 years; and

WHEREAS, in 2007 Albany Helping Hands Homeless Shelter received two loans from the City's Housing Fund totaling \$150,000; and

WHEREAS, the loans were interest free and were required to be paid in full after one year. In the event of default, interest on the loans accrued thereafter at 9 percent per annum until paid; and

WHEREAS, the last payment on the loans was made on April 9, 2013. The April 2013 payment included a portion of the May payment so payments have been past due since June 2013; and

WHEREAS, the total payoff of principal and interest of the two loans as of February 28, 2014, is \$159,677.52; and

WHEREAS, at the work session on February 10, 2014, Albany Helping Hands Homeless Shelter requested new terms for the loans; and

WHEREAS, the City Council directed staff to prepare new terms for the loans that would include no interest in the first year, 2.5 percent per annum interest thereafter, and the loans would become due by April 30, 2014; and

WHEREAS, the new terms apply a greater portion of previous payments to principal resulting in a revised total payoff of principal and interest of the two loans as of February 28, 2014, of \$105,123.76; and

WHEREAS, the principal balance will continue to accrue interest at 2.5 percent per annum until paid in full or through April 30, 2014, after which the loans would be in default.

NOW, THEREFORE, BE IT RESOLVED THAT the City of Albany agrees to modify the terms of the loans to include no interest in the first year, 2.5 percent per annum interest thereafter, and the loans are due by April 30, 2014.

BE IF FURTHER RESLOVED that Albany Helping Hands Homeless Shelter must repay the loans by April 30, 2014. In the event of default, interest on the loans shall revert to the original terms of the loans.

BE IT FURTHER RESOLVED that the loans will be secured with the property, including both the dormitory and day center buildings.

DATED AND EFFECTIVE THIS 12TH DAY OF MARCH 2014.


Mayor

Attest:

Mary A. Dibble

City Clerk

