



Legislation Details (With Text)

File #: 2017-0227 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 3/29/2017 **In control:** PECS-Planning, Economic Development & Community Services Committee
On agenda: 5/9/2017 **Final action:** 5/9/2017
Title: Commission District(s): ALL
Contract for the Administering of a Revolving Loan Fund (RLF) for DeKalb County Small Businesses with Access to Capital for Entrepreneurs, Inc. (ACE). An Amount Not to Exceed \$450,000 Would be Federally Funded by HUD at No Cost to the County.

Indexes:

Attachments: 1. Contract Document - Administering RLF for DeKalb Small Businesses with ACE 25 April BOC

Date	Ver.	Action By	Action	Result
5/9/2017	1	Board of Commissioners	approved	Pass
4/25/2017	1	PECS-Planning, Economic Development & Community Services Committee	recommended for approval.	Pass
4/25/2017	1	Board of Commissioners	deferred for 2 weeks	Pass
4/18/2017	1	Committee of the Whole		

Public Hearing: YES NO **Department:** Community Development

SUBJECT:

Commission District(s): ALL

Contract for the Administering of a Revolving Loan Fund (RLF) for DeKalb County Small Businesses with Access to Capital for Entrepreneurs, Inc. (ACE). An Amount Not to Exceed \$450,000 Would be Federally Funded by HUD at No Cost to the County.

Information Contact: Allen Mitchell Community Development Director

Phone Number: (404) 371-2438

PURPOSE:

To consider approving a Revolving Loan Fund contract with Access to Capital for Entrepreneurs (ACE) in an amount not to exceed \$450,000 using Community Development Block Grant Funds.

NEED/IMPACT:

ACE will administer the Revolving Loan Fund which will serve small businesses in DeKalb County by providing fixed asset and/or permanent working capital financing while creating and/or retaining jobs for low-to-moderate income persons. The DeKalb County Loan Program will offer loans between \$15,000 and \$35,000 with an interest rate no greater than 5% amortized over 7 to 10 years.

ACE, a non-profit, is a US Treasury-certified Community Development Financial Institution (CDFI) with full back office operations (including accounting, collections, loan processing and fund development) supporting a \$12 million small business loan portfolio. With fifteen years' experience, ACE has historically provided loans from \$5,000-\$250,000. Their mission is to provide community economic development to underserved people and communities. In 2016, 93% of ACE's loans were provided to members of underserved populations, predominately low-to-moderate income, African American, Hispanic, and women business owners. ACE's default rate last year was only 2.36%. Currently, ACE is our partner in servicing existing CDBG, HOME, and NSP loans.

The Law Department has reviewed and approved the contract as to form.

FISCAL IMPACT:

The contract for Access for Capital for Entrepreneurs, Inc. shall not exceed \$450,000. Funding will come from the 2016 CDBG funding allocation.

RECOMMENDATION:

To approve a Revolving Loan Fund contract with Access to Capital for Entrepreneurs (ACE) in an amount not to exceed \$450,000 using Community Development Block Grant Funds and authorize the Chief Executive Officer to execute all necessary documents.