



DeKalb County Government

178 Sams Street
Decatur, GA 30030

Legislation Text

File #: 2017-0227, Version: 1

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.