



## Legislation Text

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File #: 2019-3291, Version: 1

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

**SUBJECT:**

**Commission District(s):** ALL

Amendment #3 to Access to Capital for Entrepreneurs (ACE) contract #1075460 to add an additional \$450,000 and extend the contract term for a period of one year; ending on August 26, 2020. No cost to the County.

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**PURPOSE:**

To consider adding funds to the DeKalb Small Business Revolving Loan Fund with ACE in an amount not to exceed \$450,000 in CDBG funds and extend the term of the contract from August 27, 2019 to August 26, 2020.

**NEED/IMPACT:**

ACE administers the DeKalb Small Business Revolving Loan Fund which serves 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 Small Business Loan contract began with ACE on August 27, 2017 and has to date, made fourteen (14) loans in the amount of \$522,308, including administrative fees to run the program. There are five (5) additional loans in the pipeline.

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 small business loan portfolio exceeding \$12 million. With over 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 2018 92% of ACE's loan were provided to members of underserved population, predominately low-to-moderate income, African American, Hispanic, and woman business owners. ACE's default rate in 2018 was only 1.73%. Currently, ACE is our partner providing Loan Servicing to the existing portfolio of Community Development Department Loans for CDBG, HOME and NSP.

As a result of receiving additional CDBG program income, the Community Development Department is seeking to add an additional \$450,000 to the loan fund. Additional funds and an extension to the contract will allow for loans to be made with no interruption of service.

**FISCAL IMPACT:**

There is no fiscal impact to the County.

**RECOMMENDATION:**

To add funds to the DeKalb Small Business Revolving Loan Fund with ACE in an amount not to exceed \$450,000 using CDBG funds and to extend the term of the contract for a period of one year; ending on August 26, 2020; and authorize the Chief Executive Officer to execute all necessary documents.