



Legislation Details (With Text)

File #: 2019-3291 **Version:** 1 **Name:**
Type: Resolution **Status:** Preliminary Item
File created: 2/1/2019 **In control:** Board of Commissioners
On agenda: 3/12/2019 **Final action:** 3/12/2019
Title: 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.

Indexes:

Attachments:

Date	Ver.	Action By	Action	Result
3/12/2019	1	Board of Commissioners	approved	Pass
2/28/2019	1	PECS-Planning, Economic Development & Community Services Committee	recommended for approval.	Pass
2/26/2019	1	Board of Commissioners		
2/19/2019	1	Committee of the Whole		

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.

Information Contact: Allen S. Mitchell

Phone Number: (404) 371-2438

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.