



DeKalb County Government

Manuel J. Maloof Center
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Legislation Details (With Text)

File #: 2020-1215 **Version:** 1 **Name:**
Type: Resolution **Status:** Preliminary Item
File created: 10/5/2020 **In control:** Board of Commissioners
On agenda: 10/27/2020 **Final action:**
Title: Commission District(s): ALL
Contract for Administering a Revolving Loan Fund for DeKalb County Small Businesses and Loan Portfolio Servicing with Access to Capital for Entrepreneurs, Inc. (ACE).

Indexes:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|--|---|--------|
| 10/27/2020 | 1 | Board of Commissioners | approved | Pass |
| 10/20/2020 | 1 | PECS-Planning, Economic Development & Community Services Committee | recommended for approval. | Pass |
| 10/20/2020 | 1 | Committee of the Whole | Accepted to the BOC agenda and assigned | |

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

SUBJECT:

Commission District(s): ALL

Contract for Administering a Revolving Loan Fund for DeKalb County Small Businesses and Loan Portfolio Servicing with Access to Capital for Entrepreneurs, Inc. (ACE).

Information Contact: Allen Mitchell, Director

Phone Number: (404) 371-2438

PURPOSE:

To consider approving a two-year Revolving Loan Fund and Loan Portfolio Servicing contract with Access to Capital for Entrepreneurs (ACE) in an amount not to exceed \$798,748 using Community Development Block Grant (CDBG) 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 2019, 82% of ACE's loans were provided to members of underserved population, predominately low-to-moderate income, African American, Hispanic, and women business owners, ACE's default rate in 2019 was 2.25%.

ACE, a preeminent CDFI, has a wealth of experience servicing Loan Portfolios and will administer Loan Servicing for new and existing CDBG, HOME and NSP loans.

FISCAL IMPACT:

No cost to the County.

RECOMMENDATION:

To approve a two-year Revolving Loan Fund and Loan Portfolio Servicing contract with Access to Capital for Entrepreneurs (ACE) in an amount not to exceed \$798,748 using Community Development Block Grant (CDBG) Funds; and authorize the Chief Executive Officer to execute all necessary documents.