



Legislation Details (With Text)

File #: 2187-2023 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 7/12/2023 **In control:** Small & Minority Business Committee

On agenda: 7/31/2023 **Final action:** 8/2/2023

Title: To authorize the Director of the Department of Development to enter into a grant agreement with Freedom Equity, Inc. in an amount up to \$1,500,000.00 for a micro loan program to support small minority businesses; to authorize the transfer of \$1,500,000.00 between the Citywide Account and the Department of Development; to authorize the expenditure of up to \$1,500,000.00 from the General Fund; and to authorize the advancement of funds on a pre-determined schedule during the term of the agreement. (\$1,500,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2187-2023 FINAL Econ Dev Freedom Equity GF (Citywide Xfr)

Date	Ver.	Action By	Action	Result
8/2/2023	1	ACTING CITY CLERK	Attest	
8/2/2023	1	MAYOR	Signed	
7/31/2023	1	COUNCIL PRESIDENT	Signed	
7/31/2023	1	Columbus City Council	Read for the First Time	
7/31/2023	1	Columbus City Council	Waive the 2nd Reading	Pass
7/31/2023	1	Columbus City Council	Approved	Pass

This legislation authorizes the Director of the Department of Development to enter into a grant agreement with Freedom Equity Inc. (FEI), in an amount up to \$1,500,000.00 for the purpose of providing support to the new micro loan program. Funding will be advanced to the agency on a predetermined schedule.

Freedom Equity, Inc., is a community development financial institution that was incorporated in 2021 to be an alternative lender for black-owned small businesses in Central Ohio. The goal is to improve the accessibility and affordability of capital to support black and minority owned businesses in Central Ohio. The vision is to create an inclusive economy where black entrepreneurs thrive with the primary objective of growing Central Ohio’s economy by seeding the success of black businesses. Freedom Equity Inc. was born as an alternative lending institution focused on increasing economic prosperity for underserved businesses by providing affordable lending opportunities for the community.

Realizing the challenges experienced by borrowers of color, the Franklin County Business Growth and Equity Alliance, including Franklin County, the Columbus Urban League, and One Columbus, dedicated capital, staff, and in-kind resources to the development of the organization.

The micro loan program will serve 22-25 businesses with short term loans to use as working capital or to buy inventory supplies, furniture, fixtures, and equipment. In addition to providing loans, technical assistance and capacity building will be provided to support various lending program.

Fiscal Impact: The funding for this agreement, \$1,500,000.00, will be transferred from the General Fund Citywide Account to the Department of Development General Fund Budget.

Contract Compliance: The contract compliance number is 045745 and expires on 6/20/25.

To authorize the Director of the Department of Development to enter into a grant agreement with Freedom Equity, Inc. in an amount up to \$1,500,000.00 for a micro loan program to support small minority businesses; to authorize the transfer of \$1,500,000.00 between the Citywide Account and the Department of Development; to authorize the expenditure of up to \$1,500,000.00 from the General Fund; and to authorize the advancement of funds on a pre-determined schedule during the term of the agreement. (\$1,500,000.00)

WHEREAS, Freedom Equity, Inc., is a community development financial institution that was incorporated in 2021 to be an alternative lender for black-owned small businesses in Central Ohio; and

WHEREAS, the Franklin County Board of Commissioners, the Columbus Urban League, and One Columbus formed the Franklin County Business Growth & Equity Alliance (Equity Alliance) to develop a collection of action initiatives to stabilize, grow and sustain vulnerable businesses owned by local African American residents who are historically underserved, underrepresented and under-connected; and

WHEREAS, the Equity Alliance worked to set the foundation for a new Central Ohio-based, culturally competent, community development financial institution (CDFI) focused on increasing access to affordable and accessible capital products; and

WHEREAS, Freedom Equity, Inc. was created as a result of the work of Equity Alliance and the desire to resolve the challenges faced by minority businesses; and

WHEREAS, the goal is to improve the accessibility and affordability of capital to support black and minority owned businesses in Central Ohio and

WHEREAS, the vision is to create an inclusive economy where black entrepreneurs thrive with the primary objective of growing Central Ohio's economy by seeding the success of black businesses; and

WHEREAS, funds will be used to create a micro loan program to serve 22 to 25 businesses with short term loans to be used as working capital or to buy inventory supplies, furniture, fixture and equipment; and

WHEREAS, Freedom Equity will also provide technical assistance and capacity building to the businesses served to support various lending programs; and

WHEREAS, the City of Columbus would like enter into a grant agreement with Freedom Equity Inc to continue to provide loan services to small businesses to promote growth and economic development; **NOW THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Development is authorized to enter into a grant agreement with Freedom Equity, Inc. in the amount up to \$1,500,000.00 for the purpose of providing support to the new micro loan program designed to assist minority and small businesses with access to capital and to advance funds on a pre-determined schedule during the term of the agreement.

SECTION 2. That the transfer of \$1,500,000.00 or so much thereof as may be needed, is hereby authorized

within Fund 1000 (General Fund) from Dept-Div 45-01 (Financial Management), Object Class 10 (Transfer Out Operating) to Dept-Div 44-02 (Economic Development), Object Class 05 (Other) per the accounting codes in the attachment to this ordinance.

SECTION 3. For the purpose stated in Section 1, the expenditure of \$1,500,000.00 or so much thereof as may be needed, is hereby authorized in Fund 1000 General Fund in Object Class 05 Other per the accounting codes in the attached to this ordinance.

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contract or contract modifications associated with this ordinance.

SECTION 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.