



Legislation Details (With Text)

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Title: To authorize the Director of the Department of Development to modify the Economic Development Loan contract with the Finance Fund Development Corporation to extend the termination date to February 28, 2018; and to declare an emergency.

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
7/20/2017	1	CITY CLERK	Attest	
7/20/2017	1	MAYOR	Signed	
7/17/2017	1	COUNCIL PRESIDENT	Signed	
7/17/2017	1	Columbus City Council	Approved	Pass

Background: This legislation authorizes the Director of Development to modify a contract with Finance Fund (Finance Fund Capital Corporation) for the purpose of administering the City’s small business loan fund by extending the termination date to February 28, 2018.

Finance Fund provides administrative services to support implementation of the City’s small business loan fund. The services to be provided, by Finance Fund, shall include: program design, marketing, program infrastructure, intake process, credit underwriting, closing, compliance, reporting, accounting, fiscal support, maintenance and servicing.

Finance Fund, established in 1987 connects Ohio underserved communities with public and private sources of capital. It simplifies the complexities of the funding process and manages the flow of millions of public and private dollars to help good ideas come to life. These are ideas that change systems, create jobs, address community needs and improve the quality of life. The Finance Fund programs include predevelopment and economic development grants, urban and rural lending and gap financing to support a wide range of projects such as: small business, health care facilities and equipment, affordable housing construction or rehabilitation and community facilities. To date, Finance Fund and its affiliates have invested more than \$336.2 million in housing, economic development, and community facility projects leveraging over \$1.37 billion. The investment was accomplished through 3,019 awards to community-based organizations throughout the state. Finance Fund provides debt and equity to clients through the management of 28 entities totaling \$250 million. Partnerships have enabled low-income people access to 16,168 units of affordable housing, 25,928 direct jobs, and 3,079 early care and education classrooms for 71,947 children benefiting the lives of over 191,595 Ohioans.

Emergency action is requested to allow Finance Fund to continue administrative services to support implementation of the City’s small business loan fund.

Fiscal Impact: This legislation authorizes the extension of the existing contract to allow sufficient time to expend the \$252,116.73 remaining on the contract.

To authorize the Director of the Department of Development to modify the Economic Development Loan contract with the Finance Fund Development Corporation to extend the termination date to February 28, 2018; and to declare an emergency.

WHEREAS, the contract providing loan fund with Finance Fund ended on February 28, 2017 and

WHEREAS, a contract to replenish Finance Fund's loan fund is needed to provide the loan services to February 28, 2018; and

WHEREAS, Finance Fund will be allocated \$252,116.73 from the 2017 USAL Fund; and

WHEREAS, Finance Fund was established in 1987 to connect Ohio's underserved communities with public and private sources of capital; and

WHEREAS, Finance Fund operates as a statewide nonprofit financial intermediary working to enable progress and inspire change within Ohio's low-income communities; and

WHEREAS, Finance Fund's affiliate, Finance Fund Capital Corporation, is a statewide Community Development Financial Institution (CDFI) certified lender with a mission to promote economic revitalization and community development by providing access to capital; and

WHEREAS, Finance Fund partners with the City of Columbus to deploy loans and/or grant capital to community businesses, and proposes to provide a suite of services to the City in the deployment of its resources for small businesses; and

WHEREAS, the City of Columbus initially entered into contract with Finance Fund in 2015 for the purpose of administering the small business loan fund; and

WHEREAS, the Department of Development is interested in modifying the contract with Finance Fund for the purpose of providing loan services to the small business community; and

WHEREAS, emergency action is requested to allow Finance Fund to continue providing services to the small business community; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to modify the contract with Finance Fund to allow Finance Fund to continue administrative services to support implementation of the City's small business loan fund, thereby preserving the public health, peace, property, safety and welfare; **Therefore**,

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

SECTION 1. That the Director of the Department of Development is hereby authorized to modify the existing contract with Finance Fund for the purpose of administering the City's small business loan fund by extending the termination date February 28, 2018.

SECTION 2. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.