



Legislation Text

File #: 0924-2008, **Version:** 1

Background: This legislation authorizes the expenditure of \$729,132 from the CDBG Fund for a contract with the Community Capital Development Corporation for the administration of economic development loan programs. The Community Capital Development Corporation (CCDC) administered the economic development loan programs for the past three years and will continue to administer the loan programs from July 1, 2008 through January 31, 2009. The economic development loan programs include the Business Development Fund Loan Program, the Working Capital Loan Program and the Neighborhood Commercial Revitalization Loan Program.

The funding for the administration of this loan program and the actual loan funds will remain within the City of Columbus. CCDC will submit monthly requests for funds for administrative costs and will request loan funds on a case-by-case basis upon approval by a loan committee and the City of Columbus.

Emergency action is requested so that the agreement with the Community Capital Development Corporation can be executed immediately to avoid an interruption of program services.

Fiscal Impact: This legislation authorizes the expenditure of \$729,132 from the CDBG fund to provide funding for a contract with the Community Capital Development Corporation for the administration of economic development loan programs.

To authorize the Director of the Department of Development to enter into contract with the Community Capital Development Corporation for the administration of economic development loan programs; to authorize the expenditure of \$729,132 from the CDBG Fund; and to declare an emergency. (\$729,132)

WHEREAS, the Community Capital Development Corporation successfully administered the economic development loan programs from July 1, 2004 through June 30, 2008; and

WHEREAS, the City, Department of Development, Economic Development Division wishes to continue the good working relationship with the Community Capital Development Corporation and is desirous of contracting with them for an additional year of administration of the loan programs; and

WHEREAS, the activities proposed by the Community Capital Development Corporation within this legislation are permitted by the Federal Department of Housing and Urban Development, (HUD) pursuant to 24 CFR, Part 570; and

WHEREAS, since its inception in 1981 Community Capital Development Corporation's sole purpose has been to underwrite, service and monitor loans, and can undertake these objectives more efficiently, more accurately and more economically than City staff; and

WHEREAS, the need exists to work with the Community Capital Development Corporation to market economic development loan programs as part of an unified, one-stop, financing mechanism for new businesses; and

WHEREAS, the Community Capital Development Corporation will continue to promote the City of Columbus' philosophy of taking informed risk to assist businesses to grow and flourish; and

WHEREAS, all Economic Development loan administrative costs are eligible under CDBG funding guidelines; and

WHEREAS, emergency action is requested to allow CCDC to continue to administer the economic development loan programs uninterrupted; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to enter into a contract with Community Capital Development Corporation, thereby preserving the public health, peace, property, safety and welfare; **Now, 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 enter into contract with the Community Capital Development Corporation for the administration of economic development loan programs.

Section 2. That for the purpose stated in Section 1, the expenditure of \$729,132.00 or so much thereof as may be necessary, be and is hereby authorized to be expended from the CDBG Fund, Fund 248, Subfund 002, Department of Development, Economic Development Division, Division 44-02, Object Level One 03, Object Level Three 3336, OCA Code 498020.

Section 3. That this contract is awarded in accordance with Chapter 329.15 of the Columbus City Codes, 1959.

Section 4. That for the 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.