



Legislation Text

File #: 2724-2013, **Version:** 1

Background: This legislation authorizes the Director of Development to enter into contract with Finance Fund to provide administrative services to support implementation of a new small business loan fund initiative by Columbus City Council. 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. Finance Fund funding 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 \$258,800,000 in housing, economic development, and community facility projects leveraging over \$1 billion. The investment was accomplished through 2,847 awards to community-based organizations throughout the state. Finance Fund provides debt and equity to clients through the management of 19 entities totaling \$200 million. Partnerships have enabled low-income people access to 15,514 units of affordable housing, 18,417 direct jobs, and 3,036 early care and education spaces (classrooms) for 69,497 children benefiting the lives of over 127,000 Ohioans.

Emergency action is requested to allow Finance Fund to begin providing program services without delay.

Fiscal Impact: This legislation authorizes the expenditure of \$1,000,000 from the Community Development Block Grant Fund.

To authorize the Director of the Department of Development to enter into an agreement with Finance Fund for the administration of a new small business loan fund initiative by Columbus City Council; to authorize the City Auditor to cancel a purchase order; to authorize the appropriation of \$523,264.00 from the Community Development Block Grant Fund; to authorize the expenditure of \$1,000,000.00 from the Community Development Block Grant Fund; and to declare an emergency. (\$1,000,000.00)

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 (FCAP), 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 seeks to partner with the City of Columbus to deploy loan 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 Department of Development is interested in entering into 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 begin providing vital services to the small business community without delay; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to enter into contract with Finance Fund, 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 an agreement with Finance Fund for the purpose of administering a new small business loan fund initiative by Columbus City Council.

Section 2. That the City Auditor is hereby authorized to cancel \$565,150.00 from Purchase Order No. EL 010174/001.

Section 3. That from the unappropriated monies in the Community Development Block Grant Fund, Fund 248, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2013, the sum of \$523,264 is appropriated to the Department of Development, Division No. 44-02, OCA 410020, Object Level One 03, Object Level Three 3336.

Section 4. That for purposes stated in Section 1, the expenditure of \$1,000,000.00 or so much thereof as may be necessary, be and is hereby authorized to be expended from the CDBG Fund, Fund 248, Subfund 002, Development Department, Economic Development Division, Division 44-02, Object Level Three 3336 as follows:

OCA Code 410020 / \$523,264
OCA Code 410320 / \$476,736
Total: \$1,000,000

Section 5. That this contract is awarded pursuant to Section 329.15 of the Columbus City Codes, 1959, as amended.

Section 6. 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 7. That the Director of the Department of Development be and hereby is authorized and directed to provide to the office of the Council President and the offices of the Chairs of the Development Committee and the Small and Minority Business Committee copies of the final contract with Finance Fund.

Section 8. That the Director of the Department of Development be and hereby is authorized and directed to solicit and consider feedback on the program design, marketing, program infrastructure, intake process, credit underwriting, closing, compliance, reporting, accounting, fiscal support, maintenance and servicing as developed by Finance Fund prior to the implementation of Section 1.

Section 9. 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.