



Legislation Text

File #: 1811-2015, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Development to amend contract EL016021 with Finance Fund for the purpose of extending the contract to February 29, 2016 to allow Finance Fund to spend the contract balance of \$469,523.31 as well as add an additional \$120,858 from the 2015 CDBG Fund budget to continue program services.

Finance Fund provides administrative services to support implementation of the City's small business loan fund. The services provided by Finance Fund 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 \$288.5 million in housing, economic development, and community facility projects leveraging over \$1 billion. The investment was accomplished through 2,984 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 15,854 units of affordable housing, 21,932 direct jobs, and 3,036 early care and education spaces (classrooms) for 69,497 children benefiting the lives of over 182,635 Ohioans.

Emergency action is requested to allow Finance Fund to continue without interruption the administrative services necessary to support implementation of the City's small business loan fund.

FISCAL IMPACT: Funding for this amendment is allocated from the 2015 CDBG Fund budget.

To authorize the Director of the Department of Development to amend the contract with Finance Fund to continue the provision of administrative services in support of the City's small business loan fund; to authorize the expenditure of \$120,858.00 from the Community Development Block Grant Fund; and to declare an emergency. (\$120,858.00)

WHEREAS, Finance Fund will be allocated \$120,858 from the 2015 CDBG Fund budget; 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 (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 City of Columbus entered into contract EL016021 with Finance Fund in 2014 for the purpose of administering the small business loan fund; and

WHEREAS, the Department of Development is interested in continuing 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 without interruption; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to amend said 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 amend the small business loan fund administration contract with Finance Fund, contract EL016021, for the purpose of extending the contract to February 29, 2016 to allow Finance Fund to spend the contract balance of \$469,523.31, and to increase the contract amount by \$120,858 to continue program services.

SECTION 2. That for the purpose stated in Section 1, the expenditure of \$120,858 or so much thereof as may be necessary, be and is hereby authorized to be expended from the CDBG Fund, Fund 248, Department of Development, Economic Development Division, Division 44-02, Object Level One 03, Object Level Three 3336, OCA Code 415420.

SECTION 3. 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 4. That this modification is made in accordance with City Code Chapter 329 relating to contract modifications.

SECTION 5. 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.