



Legislation Text

File #: 1760-2016, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Development to enter into contract with Finance Fund for the purpose of administering the City of Columbus Small Business Revolving Loan Fund Program.

Finance Fund provides administrative services to support implementation of the City's 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's 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 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.

FISCAL IMPACT: This legislation authorizes the expenditure of \$34,243 from the 2016 Community Development Block Grant Fund budget.

To authorize the Director of Development to enter into contract with Finance Fund for the purpose of administering the City of Columbus Small Business Revolving Loan Fund Program; and to authorize the expenditure of \$34,243.00 from the Community Development Block Grant Fund. (\$34,243.00)

WHEREAS, the City of Columbus entered into contract with Finance Fund in 2014 for the purpose of administering the Loan Fund Program; and

WHEREAS, the contract was amended to extend the contract period to February 29, 2016; and

WHEREAS, the contract was also amended to allow Finance Fund to spend the remaining contract balance of \$469,523.31 for program services; and

WHEREAS, Finance Fund was allocated \$120,858.00 from the 2015 CDBG Fund Budget; and

WHEREAS, \$34,243.00 has been budgeted in the 2016 CDBG Fund Budget for this purpose; 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, it has become necessary in the usual daily operation of the Department of Development in that it is necessary to authorize the Director to enter into contract with Finance Fund for the purpose of continuing to allow them to administer the Loan Fund Program; **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 Finance Fund from March 1, 2016 to February 28, 2017 for the administration of the City of Columbus Small Business Revolving Loan Fund Program.

SECTION 2. That for the purpose stated in Section 1, the expenditure of \$34,243.00 or so much thereof as may be needed, is hereby authorized in Fund 2248 Community Development Act in Object Class 03 Contractual Services per the accounting codes in the attachment of this ordinance.

SECTION 3. That this contract is awarded in accordance with the relevant provisions of City Code Chapter 329 relating to not-for-profit service contracts.

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 this ordinance shall take effect and be in force from and after the earliest date provided by law.