Local Fiscal Recovery Fund

Mountain Community Capital Fund Update

3/15/2022
Background and Request

Background:
• Board of Commissioners approved $1.25M for the Mountain Community Capital Fund (MCCF) in November 2021
• This funding was allocated through the Local Fiscal Recovery Funding process
• The original application was submitted by Mountain BizWorks on behalf of the MCCF
• The MCCF is a joint program of Buncombe County, the City of Asheville and CDFIs

Request:
• Board of Commissioners:
  • Conduct the public hearing, and
  • Approve the Resolution authorizing the $1,250,000 economic development appropriation for the project as proposed
Issue Summary

• Staff have conducted additional analysis of Treasury guidance and are recommending a program change

• The original program utilized funds for the loan guarantee program, however the guarantee is only utilized (expended) if a loan defaults

• It is expected that some, but not all loans may default and thus, may not generate an expenditure by December 31, 2026 as required by Treasury Guidance

• Staff worked with the CDFIs to define an approach that ensures compliance with Federal Guidelines while maintaining the original intent

• Due to the changes an additional public hearing is required (tentatively March 15th)

• No additional funds are requested
Program Summary (Proposed)

• **Overview:** Small Business lending program

• **Purpose:** Create jobs by lending to small businesses that lack sufficient credit or collateral to access the needed capital to retain and create jobs

• **Population:** Small businesses founded by low-income entrepreneurs

• **Funding:** $1,150,00 will be used for direct loans to businesses, and $100,000 will be used for administrative costs.

• **Results (Proposed):** 90 businesses are expected to receive loans which will create or retain 320 jobs.

• **Additional Note:** This investment will leverage an additional $1,150,000 which will be deposited into Mountain Community Capital Fund to serve as collateral offset/loan guarantee.
## Summary of Key Changes

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<tr>
<th>Component</th>
<th>Original</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>Program Manager</td>
<td>Self Help</td>
<td>Mountain BizWorks</td>
</tr>
<tr>
<td>Funding (Buncombe County)</td>
<td>$1.25M</td>
<td>$1.25M</td>
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<tr>
<td>Use of Funding (Buncombe County)</td>
<td>Loan Guarantee</td>
<td>Direct Loans</td>
</tr>
<tr>
<td>Outcomes</td>
<td>90 businesses 320 jobs created</td>
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<tr>
<td>Loan Guarantee Amount</td>
<td>$1.25M</td>
<td>$1.25M</td>
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<tr>
<td>Loan Guarantee Source</td>
<td>Buncombe County</td>
<td>Mountain BizWorks</td>
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</tbody>
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Request for Board Action

Request:

• Board of Commissioners:
  • Conduct the public hearing, and
  • Approve the Resolution authorizing the $1,250,000 economic development appropriation for the project as proposed