

Mountain Community Capital Fund Update

Presentation to the Board of Commissioners

November 7th, 2024



Agenda

- Mountain Community Capital Fund Update
- Operating Agreement
- Next Steps



MCCF Overview

- MCCF is a **loan guarantee fund** for small business loans in Asheville and Buncombe County.
- Established in 2018, it is a **collaboration** between local partners including Mountain BizWorks, the City of Asheville and Buncombe County.
- This loan fund is **intended for business owners who don't have collateral** which can be a barrier to getting a business loan.
- **Entrepreneurs of color and borrowers with low incomes are encouraged to apply.**



Program Overview

- **Loan Size:** Expected to range from \$10,000 to \$70,000 with an average of \$30,000.
 - Note: Loans are issued by CDFIs, not the MCCF or Local Government partners.
- **Loan Term:** Approximately 5-7 Years.
- **Loan Success Rate:** Estimated 95% success rate based on similar programs.
- **Loan Administration:** CDFIs perform all loan underwriting, administration, technical assistance, and reporting.
- **Loan Technical Assistance:** CDFIs are required to provide technical assistance to borrowers (e.g., capital and business training).



MCCF Performance

- **76** total loans
- **\$2.9 million** dollars lent
- **274** jobs created/maintained
- **44 (58%)** Loans to Black Businesses
- **14 (18%)** Loans to Hispanic/Latinx Businesses
- **38 (50%)** Loans to Women-owned Businesses



Operating Agreement Updates

Edits were made to reflect current practices

- Evergreening of document by defining roles and removing references to specific organizations
- Five year term of agreement with option to renew
- Updated allocation of debits for eligible losses to be based upon the ratio of financial contributions to the fund
- Description of Funding Sources moved into a separate exhibit



Upcoming Request and Next Steps

Request for Board Approval

- November 19th – request authorization of County Manager to sign updated Agreement

Next Steps

- MCCF will be seeking a new custodian for the funds



Questions

