

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



Impact of Helene

Existing Clients

- Mountain Bizworks is actively connecting with every client in their portfolio to determine the impact on existing businesses
- Determining immediate need and evaluating if a temporary payment modification is appropriate
- Where appropriate, Mountain BizWorks is following established procedures to modify and document payment adjustments

Post-Helene Recovery Support

- Recovery Loans
- Business Grants
- Resource Navigation Services



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 losses to be based on funding sources
- Description of Funding Sources moved into a separate exhibit

City Action on the Agreement

- Following a ratification process: to be signed by City Manager and then ratified by city council



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

