



City of Racine, Wisconsin Agenda Briefing Memorandum

AGENDA DATE:

December 19, 2022 Community Development Block Grant Advisory Board

SUBJECT:

Communication sponsored by Mayor Mason requesting an allocation of up to \$175,000 for Community Development Block Grant (CDBG)-funded economic development activities.

PREPARED BY:

Brendan Saunders, Neighborhood Services

EXECUTIVE SUMMARY:

Funding for WWBIC Microenterprise Technical Assistance, Forgivable Loans, and Growth Accelerator Programs up to \$175,000

BACKGROUND & ANALYSIS:

The Wisconsin Women’s Business Initiative Corporation (WWBIC) is a Community Development Financial Institution (CDFI) that provides Technical Assistance and Lending services to small businesses and microenterprises throughout Wisconsin. WWBIC assists individuals who are interested in starting, strengthening, or expanding businesses by providing direct lending, quality business, and financial capability education and one-on-one technical business assistance. Services are open to anyone but our focus is women, people of color, and people of lower wealth – those most likely to face barriers in accessing financing or educational support.

WWBIC is requesting \$175,000; this project will serve to 50 low-income micro-enterprise owners in the City of Racine. The project will provide vital resources, with a focus on women, people of color, veterans, and underserved populations. There are multiple resources needed for a business to be successful, and if funded, WWBIC will address those needs through a holistic approach of access to capital, education, and 1:1 technical assistance – with all resources provided in both English & Spanish. This project encompasses WWBIC providing five, \$15,000 forgivable loans. Marketing materials will be developed, promotion of the forgivable loan program will take place for a set period, the application will go live on a set date and time, and applications will be time-stamped and reviewed equitably on a first-come, first-serve basis. The five entrepreneurs receiving a forgivable loan will be required to complete all necessary paperwork for compliance and a business assessment form, and a “learning track” recommendation will be developed. All applicants, over and above the five receiving a forgivable loan, will be offered the same business assessment with a recommendation for additional training/consulting.

In addition to access to capital, entrepreneurial training is another key component to having a viable and successful business. WWBIC will provide needed educational support through



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WWBIC training, access to our Initiate Portal, 1:1 consultation with WWBIC staff, and/or support from topic expert WWBIC volunteers. Because the learning component is imperative to the success of a business, each forgivable loan recipient will be provided an educational recommendation based on their assessment and will be required to complete a minimum of 6 hours of support.

In addition to the forgivable loan program, Growth Accelerators will be another part of our project and will combine access to capital through seed grants with the opportunity to advance the owner’s business acumen and business growth strategy. WWBIC will complete two 10-week Growth Accelerators, one in English and one in Spanish. At the end of the accelerator, there will be a pitch competition where first place will receive \$5,000, second place \$4,000, third place \$3,000, and fourth and fifth place \$2,500. The two accelerators will provide a total of \$34,000 in seed grants for low to moderate-income micro businesses. Participants will be selected through an application process. Applications will be reviewed by a panel (non-WWBIC staff), and a panel of independent judges will review the pitch competitions. A funnel for the forgivable loan program and Growth Accelerators assist us in reaching a minimum of 50 business owners in total.

WWBIC’s free training, WWBIC loan programs, 1:1 technical assistance, Kiva@WWBIC, our Veteran’s Business Outreach Center, or additional community resources will serve the 35 owners that do not receive a forgivable loan or are not selected for one of the Growth Accelerators.

BUDGETARY IMPACT:

There are sufficient CDBG funds to fund the staff recommendation.

RECOMMENDED ACTION:

That the CDBG Advisory Board recommends approval and adoption of up to \$175,000 in CDBG funds for the purposes of microenterprise assistance.