



City of Racine, Wisconsin Agenda Briefing Memorandum

AGENDA DATE:

August 8, 2022 CDBG Advisory Board

SUBJECT:

Communication sponsored by Mayor Mason requesting an allocation of up to \$200,000 for Community Development Block Grant (CDBG)-funded economic development activities.

PREPARED BY:

Brendan Saunders, Manager of Housing and Community Development

EXECUTIVE SUMMARY:

Funding for WWBIC Microenterprise Technical Assistance and Grants up to \$200,000

BACKGROUND & ANALYSIS:

The Wisconsin Women's business Initiative Corporation (WWBIC) is a Community Development Financial Institution (CDFI) and 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.

- **Total Funding:** \$200,000 with \$160,000 in direct grants and a 20% Professional Services Fee
- **Recipients:** Serving low-income micro businesses, both start-up and existing, with the business being in the City of Racine. There will be a focus on reaching underserved populations through outreach efforts.
- **Focus Area:** City of Racine
- **Opportunity:** Grant pass throughs of \$5,000 – \$15,000
- **Wrap Around Services will not be mandatory.** However, they will be shared and strongly recommended. WWBIC services include technical assistance through entrepreneurial training, WWBIC's Initiate Portal, 1:1 assistance (provided by staff or topic expert volunteers), and our Veteran's Business Outreach Center
- **Financial Wellness Support:** For 1:1 financial wellness support needed; participants will be referred to the City of Racine Financial Empowerment Center
- **Additional access to capital information and assistance will share with business owners including additional City of Racine programs (forgivable loans),** WWBIC loans, Kiva loans, and any other grant programs available. The SBA, our largest Federal funding source, has named WWBIC the Wisconsin Microlender of the Year every year since 2002; and recognizes WWBIC as one of the largest combined Microloan and SBA Community Advantage Lenders in the U.S.
- **Socializing & Promoting:** WWBIC's Marketing team and Outreach Specialists will provide flyers, social media posts, a press release, and grass roots outreach activities.



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To further assist, all marketing pieces will be shared, both electronic and hard copies, with all economic development & key partners in the City of Racine to further assist in socializing the program. Socialization will take place for a set period, and all marketing materials will share the link to the application and the specific date and time the application will go live.

- **Application (brief):** To make sure that the application is equitable, it will go live at a set date and time, and all applications will be timestamped in the order they are received. If the number of applications outnumber the dollars available, a waiting list will be created. Any applicants not receiving a grant will have access to all the resources shared above.
- **Compliance & Reporting:** WWBIC will collect documents needed to make certain that the business is valid, that the business owner meets the low-income and micro business requirements, and any other documents required by the City of Racine. WWBIC will complete any needed reports in a timely manner.

Scope of Services:

- **Number of Grants:** Depending on the amount of the grants requested, WWBIC will provide between 13 owners (\$15,000) and 32 owners (\$5,000) with grants.
- **Grant Dollars:** Grant dollars will total \$160,000 • **Number Served:** WWBIC anticipates that there will be a waiting list for grants, and therefore, 50 entrepreneurs will be reached through this program. For those not receiving a grant, technical assistance support & resources described above will be offered as needed/desired
- **Timeline:** Activities for the successful completion of this grant program would begin as soon as the formal award is received. All grant dollars will be distributed to the business owners no later than November 2, 2022 through ACH Direct Deposits.

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 \$200,000 in CDBG funds for the purposes of microenterprise assistance.