



Community Development Authority

City of Racine

AGENDA BRIEFING MEMORANDUM

AGENDA DATE:

September 22, 2022

SUBJECT:

Authorize the Acting Executive Director to forgive remaining CDBG Micro-fund loans to Microenterprises issued in 2019 via resolution 0305-18

PREPARED BY:

Brendan Saunders, Manager of Housing and Community Development

EXECUTIVE SUMMARY:

Forgiveness of Micro-fund CDBG loans to microenterprises.

BACKGROUND & ANALYSIS:

In 2018, via resolution 0305-18, the Neighborhood Services Division created a micro-fund loan for microenterprises in the City of Racine. The loans were issued to five qualified microenterprises. In early 2020, Covid-19 caused the closing of many of those businesses in order to stop the spread of the virus. All five microenterprises have been working to start back up and maintain their businesses. The City of Racine has not been collecting on the loans during the Covid-19 pandemic.

The Acting Executive Director is requesting the forgiveness of loans to:

- 2 Swift Suits - \$15,000
- I Love Tamales - \$5,000
- Audreyanna's - \$12,700
- Valid Kixx - \$15,000
- Yogi's Pud'n - \$15,000

Total: \$62,700

Prior to the Covid-19 pandemic, all microenterprises have made some payments to the loan fund.

During the Covid-19 pandemic the City of Racine issued microfund forgivable loans to microenterprises as a tool to keep them in business during the shutdown prior to PPP loans and other federal funds.

BUDGETARY IMPACT:

There are sufficient CDBG funds to fund the staff recommendation.

RECOMMENDED ACTION:

That the Community Development Authority recommend the forgiveness of remaining CDBG micro-fund loans to microenterprises issues under resolution 0305-18.