

1. PROGRAM DESCRIPTION (3000 characters or fewer)

Provide a description of your city's existing or proposed economic mobility initiative. Consider such aspects as:

- Key Components of your program;
- Target audiences/demographics & strategies to reach them;
- The number of residents your program serves;
- Program activities and events;
- Curricula and materials used in your initiative, including a brief summary of each; and
- Notable achievements or recognition received.

The City of Kansas City has received funding from the Kauffman Foundation to pilot and launch a new social and financial capital program for new and existing entrepreneurs to provide resources and tools for back-office support to access start-up capital that help entrepreneurs to start, grow and expand their businesses in Kansas City. The goal of the program is to build a long-term capital access eco-system to improve capital readiness of diverse businesses and support economic recovery from the pandemic.

The social capital initiative for the Small Business (SMB) Access to Capital Program is an initiative led by the City of Kansas City ("City") in partnership with local entrepreneurial support organizations (ESOs), professional service providers (accountants/bookkeepers, etc.) and financial institutions to provide technical assistance to small businesses for loan and grant applications and financial counseling. The program will serve as a lifeline for small and minority business owners by facilitating access to low- to no-interest capital, help grow their businesses during this economic recession.

The program is looking to target diverse entrepreneurs and small business owners in Kansas City in low-to-moderate income (LMI) communities. The City anticipates launching the pilot program in March 2023 with two key impact metrics (I) 200 Business owners will establish relationships for financial counseling and business planning (Disaggregated by race and gender) and (II) 75 business owners will grow their businesses by accessing additional capital (Disaggregated by race and gender). A post-pilot program impact report will be presented to stakeholders, the city council, and the small business community for its first year.

To help standup a financial capital program, the City of Kansas City, has approved \$500,000 of its ARPA dollars to kick start a diverse start-up capital fund, starting with grants and crowdfunding tools (i.e. KIVA) for new businesses less than 1 year in operation; a low-interest micro-loan fund for existing business less than 2 years in operation; and a traditional revolving loan fund (RLF) with interest rates not to exceed 4% for businesses 2 years or more in operations. For the purpose of the pilot, and due to limited funding, businesses can only qualify for the capital if they receive technical assistance from our partner(s). The City is actively working with its city council, financial institutions, foundations, and its community partners to raise \$2.5M for the low-interest loan products.

2. INNOVATION GRANT *(4500 characters or fewer)*

How would your city strategically use a DollarWise Innovation Grant to expand, enhance, foster innovation, and/or increase evaluation in your economic mobility program/initiative?

- Be specific in how you would use the DollarWise funds.
- Describe how an Innovation grant would assist you in meeting future goals or enable you to bring innovation and/or evaluation to your initiative.

The Dollarwise Innovation Grant will be used to support data collection and reporting of the program participants. Funds will be invested into outreach and incentives to encourage participation of diverse small businesses. Participants will have to commit to quarterly and annual progress reporting for the program.

The access to capital program model established a strong infrastructure to get capital to our entrepreneurs and was piloted in 2021 through the PPP-Prep Kansas City project. This initiative was deployed during the third round of PPP. PPP-Prep Kansas City assisted black and brown business with accessing close to \$2.5 million in Small Business Administration (SBA) and local relief funds and forgiveness. It also helped the City and its partners start closing the gap in quality data on BIPOC businesses by building a database on business owners. The long-standing data deficiencies of BIPOC businesses has consistently undermined minority business owner as they seek to advocate for additional resources and support. Therefore, we are committed to continue focusing on these underserved populations within our service area.

A post-pilot program impact report will be presented to stakeholders, the city council, and the small business community for its first year.

3. GRANT MATCHING *(4500 characters or fewer)*

Does your city plan to match your DollarWise Innovation Grant with existing state, local, federal, nonprofit, or private sector assistance funding in order to promote economic mobility and maximize impact? If so, please describe how you will do so. If not, please leave blank. Matching funds are not required to receive an Innovation Grant.

The City will continue to work with its partners to identify and provide grant writing support to sustain the program beyond the pilot and raise capital funds to provide greater access to start-up capital for our small businesses. Currently, the City, via its KC BizCare Office has acquired the following funding support for the pilot program:

To help standup a financial capital program, the City of Kansas City, has approved \$500,000 of its ARPA dollars to kick start a diverse start-up capital fund, starting with grants and crowdfunding tools (i.e. KIVA) for new businesses less than 1 year in operation; a low-interest micro-loan fund for existing business less than 2 years in operation; and a traditional revolving loan fund (RLF) with interest rates not to exceed 4% for businesses 2 years or more in operations. The City is actively working with its city council, financial institutions, foundations, and its community partners to raise \$2.5M for the low-interest loan products.

The City recently received a \$250,000 grant from the Kauffman Foundation to help cover the administrative costs associated with setting up the program to include, a new capital platform, hiring of a “capital access manager”, fees associated with becoming a KIVA HUB, and pro-bono fee for the professional services providers.

4. PARTNERS *(3000 characters or fewer)*

List and describe the local partners, such as nonprofits, community-based organizations, and financial institutions, that work with you on your city’s economic mobility effort. Specifically,

which partners will be involved in the implementation of the Innovation Grant and how will you work with them enhance your local campaign?

The social capital initiative for the Small Business (SMB) Access to Capital Program is an access to capital ecosystem approach led by the City of Kansas City (“City”) in partnership with local entrepreneurial support organizations (ESOs), professional service providers (accountants/bookkeepers, etc.) and financial institutions to provide technical assistance to small businesses for loan and grant applications and financial counseling.

The City of Kansas City, Missouri is the lead for the access to capital initiatives. Through its office for small businesses, KC BizCare, the office will provide technical assistance to participants for business filings and regulatory processes. The office will primarily support new businesses with obtaining their proper state, federal and local filings in order to obtain a business license with the City of Kansas City, MO.

The Economic Development Corporation of Greater Kansas City via its Loan Corporation will serve as the financial institution partner. EDCLC is a Missouri non-profit corporation specializing in the origination and underwriting of loans with the mission to help small business grow, expand, and retain jobs in Kansas City, Missouri and is uniquely positioned to deliver a capital investment program for the city. EDCLC is a Small Business Administration Certified Community Development Company.

The Prospect Business Association (PBA) is a local entrepreneurial support organizations (ESO) in the Kansas City urban core and will serve as the technical assistance provider for the program. Prospect Business Association is focused on serving BIPOC owned businesses within Missouri from low-income qualified census track areas. In 2021, our office partnered with PBA to help black and minority-owned businesses obtain a little over \$2.5 million dollars in Covid Relief funding comprised via PPP, EIDL, local and national grants, loans, and local contracts to assure businesses were able to keep their doors open. To date, PBA has assisted black-owned businesses obtain \$1.5 million in both debt and equity capital needed for continued operation and scalability. All services provided are free of charge to the business entity.

KIVA/National League of Cities via the City Inclusive Entrepreneurship (CIE) through NLC the city has committed to its “microlending” program to develop a crowdfunding partner (KIVA HUB) in the Greater Kansas City Area. The commitment comes with a \$15,000 grant and the City to identify a local HUB, Capital Access Manager and providing capital access via MIVA to at least 10 businesses by August 2024.

Local Financial Institutions will be vital to the program in helping new and existing businesses with establishing relationships with local bankers to help launch the small businesses into traditional financial ecosystems. Working with local banks and CDFIs will help expose entrepreneurs to obtaining business bank accounts, financial literacy via baking office hours, establishing business credit, education, and access to banking products and providing local application prep incentives to our technical assistance partners.

5. ADDITIONAL POLICY/PROGRAM BARRIERS *(4500 characters or fewer)*

Are there policy or programmatic barriers that are negatively impacting economic mobility in your city, specifically related to the program or issue area described in this application? If so, please describe and discuss any efforts to address them. If relevant, please speak to any policy barriers that you have addressed in the last 1-2 years, and be specific.

The success and longevity of the program can be supported through the establishment of a Small Business Commission to help address barriers to small businesses in the city regulatory processes, continue engagement with the small business community and city officials, and help advocate for equitable small

businesses policies, data, funding, and initiatives. The commission will be made up of local small businesses, eco-system partners, and city administrators from various departments who would study and develop small business proposals for the city to review, support and potentially fund.

A city council member and the city finance director, along with the KC BizCare Office, are in discussions with a local small business advocacy group to propose a resolution to call for small business tax data in order to quantify the contribution of small business taxes to the city with a goal of determining if there are any tax incentives the city could offer small businesses (50 employees or less).

6. EVALUATION *(4500 characters or fewer)*

How will you evaluate the effectiveness of the Innovation Grant in your economic mobility program?

The program is looking to target diverse entrepreneurs and small business owners in Kansas City in low-to-moderate income (LMI) communities. The City anticipates launching the pilot program in March 2023 with two key impact metrics (I) 200 Business owners will establish relationships for financial counseling and business planning (Disaggregated by race and gender) and (II) 75 business owners will grow their businesses by accessing additional capital (Disaggregated by race and gender).

A post-pilot program impact report will be presented to stakeholders, the city council, and the small business community for its first year. Our team will prepare regular progress reports and a final report. Key metrics which will be tracked and reported to the funder include:

- Number of training hours provided;
- Number of clients trained;
- Number of clients receiving approved loan or grant funding to start a business;
- Number of clients receiving approved loan or grant funding with their business in operation;
- Number of jobs created or retained;
- Percent increase of revenue (gross sale dollars) among participating businesses;
- Number of unique clients who receive assistance in the development of their loan application, grant application, or other application;
- Cumulative dollar amount requested through loan applications and grant applications;
- Cumulative dollar amount approved through loan applications and grant applications;
- Number of counseling hours provided to develop and submit loan, grant, or other applications; and
- Number of counseling hours provided for credit counseling/financial literacy, business technical assistance, contracting and procurement, and other business development technical assistance.

KC BizCare will track and collect data related to outputs and outcomes of clients, which will be disaggregated by gender, race, ethnicity, veteran status, disability status, LGBTQ+ identity, business status (by years in business), business industry, geography (by zip code), and state. If awarded grant funding through the Community Revitalization Grant Program, the KC BizCare Office will utilize the datasets identified above to prepare progress and performance reports and to ensure our project is successful in achieving measurable outcomes as outlined above.

7. MAYORAL INVOLVEMENT *(3000 characters or fewer)*

Please describe your mayor's role supporting programs that promote economic mobility in your city. Describe how your mayor would be involved in your programming should you be awarded a DollarWise grant.

Mayor Quinton Lucas of the City of Kansas City has supported our economic mobility efforts to support diverse small businesses in our city and include the following:

- The Mayor recently co-sponsored an ordinance 221031 “authorizing the City Manager to enter into a contract with the EDC Loan Corporation to establish a \$500,000.00 small business and entrepreneurial support organization grant and loan program”.
- The Mayor also committed to a partnership with Operation Hope as an impact community partner by having 500 businesses Black Entrepreneurs/small business owners from Kansas City to sign up for 1 Million Black Business initiative by 2030. Operation HOPE, in partnership with Shopify and a coalition of partners, is working to provide Black entrepreneurs and existing Black business owners with the financial coaching, guidance, tools and resources they need to create dynamic, viable and resilient Black businesses that are positioned to thrive in both physical locations and through eCommerce activities.
- Mayor Lucas has also made two (2) commitments on behalf of the City of Kansas City, via its office of small business- KC BizCare, the National League for Cities- City Inclusive Entrepreneurship (CIE) program to (1) identify obstacles facing Hispanic entrepreneurs and small business owners and implementing a new program, policy or practice that facilitates their growth; and (2) the launch of a new microloan fund via KIVA’s crowdfunding platform.

8. CBO (If Applicable)

If your city receives an Innovation Grant, will the money be allocated to a community-based organization (CBO) for implementation? If yes, provide the requested information about the CBO:

- Intent to allocate to CBO? **(YES/NO)**

9. Provide Contact Information for CBO

10. Describe the CBO and its involvement in your local DollarWise Campaign (If Applicable)

11. ATTACHMENTS

Will you be submitting any attachments with your application?

12. GRANT OBLIGATIONS (YES/NO)

In order to receive a DollarWise Grant, your city must adhere to the DollarWise Grant terms and conditions. Is your city willing and able to fulfill the following DollarWise Grant Obligations?

- Coordinating with your mayor to have him or her accept the DollarWise award during the U.S. Conference of Mayors Winter Meeting - January 18-20, 2023;
- Coordinating with your mayor to jointly host a local DollarWise awards ceremony in your city, inviting press (Subject to change based on COVID-19).
- Participate in a webinar to discuss your program to other cities.
- Periodically keeping the DollarWise Campaign updated on the progress of your program, including media coverage; and
- Providing a 2-page evaluative report on your program discussing accomplishments, challenges, etc. at the end of 2023.

SUBMIT