

2013 - 2014 Seattle City Council Statement of Legislative Intent

Ready for Notebook

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Budget Action Title: Report on the outcomes of OED's entrepreneurial training and micro-lending programs

Councilmembers: Clark; Conlin; Rasmussen

Staff Analyst: Sara Belz

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

Statement of Legislative Intent:

The Council requests that by July 1, 2013, the Office of Economic Development (OED) prepare a report on its entrepreneurial training and micro-lending activities. Since 2010, OED has, through its growSeattle initiative, provided entrepreneurial and business development training to immigrant business owners. Past City investments in this work include \$150,000 in 2010 Community Development Block Grant (CDBG) funds and \$75,000 in 2012 CDBG support. The 2013-2014 Proposed Budget includes \$75,000 per year in continued funding for immigrant entrepreneurial training services. To date, OED estimates 186 business owners have received training through this initiative, including 70 that launched new businesses after participating in the program. Washington CASH is currently under contract with OED to administer the training sessions.

In 2014, the Proposed Budget also includes \$375,000 to support a companion micro-lending initiative. Through the lending initiative, an estimated seven to ten loans with an average size of about \$50,000 would be provided to low-income small business owners, leading to the projected creation or retention of about ten jobs. It is expected that most, if not all, of the loan funds would be used to support lending activities that would be considered unbankable by conventional lenders.

Between 2009 and 2012, OED managed a similar lending initiative using \$1.4 million in American Recovery and Reinvestment Act (ARRA) CDBG funds. OED partnered with Community Capital Development, Craft3, and the Rainier Valley Community Development Fund to deploy those resources, which were ultimately used to issue 22 loans with an average size of about \$60,000. An estimated 46 jobs were created or retained as a result of that effort.

Before the Council agrees to commit 2014 CDBG funds to entrepreneurial training and micro-lending activities through OED's growSeattle initiative, OED is requested to deliver a report to the Council's Committee on Economic Resiliency and Regional Relations that includes the following components:

- Data on the outcomes of OED’s investments in entrepreneurial training for immigrant business owners through the end of 2012. At minimum, the provided information should include the number of existing and prospective business owners that received training in each program year, the number of new businesses opened each year by training participants, and the number of affected businesses that are still operating.
- A status report on the repayment and redeployment of the distributed ARRA loan funds.
- A workplan for deploying the proposed 2014 CDBG loan funds.
- A detailed plan for tracking, evaluating, and annually reporting on outcomes associated with both the entrepreneurial training and micro-lending components of the growSeattle program. The plan should identify measurable, target outcomes for both initiatives that would be tracked over time by OED staff.

Responsible Council Committee(s): Economic Resiliency and Regional Relations

Date Due to Council: July 1, 2013