



CITY INNOVATION ECOSYSTEMS PROGRAM COMMITMENT

NATIONAL LEAGUE OF CITIES

Agenda Item #41

Economic & International Development Department

November 23, 2021

Strategic Goal 1

Cultivate an Environment Conducive to Strong, Sustainable Economic Development

- ❖ 1.1 Stabilize and expand El Paso's tax base
 - ❖ Assisting entrepreneurs and small business owners gain access to capital



Discussion & Action Item

A resolution to provide a Letter of Commitment and Support to the National League of Cities for the City's participation in the 2021-2022 City Innovation Ecosystems program.

Background

- ❖ The **National League of Cities (NLC)**, a Washington D.C. based nonprofit organization, has invited the **City of El Paso** to participate in its **City Innovation Ecosystems (CIE) Program**.
- ❖ CIE aims to **promote equitable economic growth** in cities by facilitating the adoption of **inclusive and entrepreneurship led policies, programs, and practices**.

Background

- ❖ **Objective #1:** Incentivize the adoption of policies, programs, and practices that increase economic opportunity for Black, Indigenous, Hispanic, and People of Color, and women and non-binary people.
- ❖ **Objective #2:** Connect city leaders to the resources, partners and information that help them implement policies, programs, and practices that enable inclusive economic development.

Background

- ❖ The City Innovation Ecosystems program provided each prospective city with a list of 12 commitments and place-appropriate strategies to choose from.
- ❖ The City of El Paso chose “**Working with CDFIs: Connecting entrepreneurs and small business owners with CDFI financing,**” to build resiliency within our small business community and strengthen the city’s accessibility to flexible and affordable financing options.

What are CDFIs?

Community Development Financial Institutions (CDFIs) are specialized **community based financial institutions** with a primary mission to **expand economic opportunity** by providing access to financial products and services to people and communities **underserved by traditional financial institutions**, particularly in low income communities.





CDFI Lending Impact

From Two CDFIs in El Paso



DREAM IT. FUND IT.

FY 2020

Total Funds Provided: **\$3.2M**

Total Loans Provided: **169**

Average Loan Amount: **\$19,100**

Jobs Created + Retained: **858**



FY 2020

Total Funds Provided: **\$995k**

Total Loans Provided: **87**

Average Loan Amount: **\$23,225***

Jobs Retained: **55**

*weighted average of PPP and non-PPP loans





CDFI Lending Impact

From Two CDFIs in El Paso



CARES ACT FUND

- ❖ \$10.5 Million Small Business Grants

IMPACT FUND

- ❖ \$600,000 invested into the Dream Makers Fund. This fund is available for new and existing small businesses for loans up to \$25,000.



CARES ACT FUND

- ❖ \$4 Million Small Business Grants

Program Commitments

1.

Activity

Participate in **quarterly coaching calls and surveys** with CDFI Friendly America and other participating cities in the United States.

2.

Output

Build a formal relationship with one or more Community Development Financial Institutions (CDFIs) and **identify 10+ businesses** that would benefit from CDFI financing by **April 2022**.

3.

Outcome

Develop or reform a process, policy, or practice that results in **3+ local businesses** securing CDFI financing as a direct result of the City's program participation by **August 2022**.

Opportunity for Funding

- ❖ Upon completion of the commitment-specific initiating activity, commitment-specific output, and Request for Information (“RFI”), the City of El Paso would be **eligible to apply for \$15,000** in implementation funding in April 2022.
- ❖ No financial commitment required from the City



Thank You.

