

CITY INNOVATION ECOSYSTEMS PROGRAM COMMITMENT

NATIONAL LEAGUE OF CITIES

Agenda Item #41

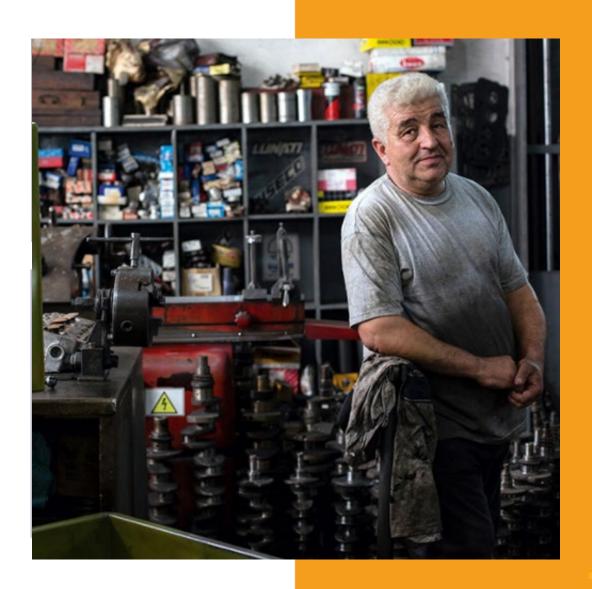
Economic & International Development Department

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 placeappropriate 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



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.

