

DEPARTMENT OF ECONOMIC DEVELOPMENT
EXECUTIVE SUMMARY
ORDINANCE NO.: 1078-2019

Project: Urban League of Greater Cleveland, INC.
2930 Prospect Avenue
Cleveland, OH 44115

Project Location: Citywide

Project Manager: Briana Butler

Ward / Councilperson: Citywide

Grant Amount: \$100,000

Purpose of Financial Assistance

The purpose of this \$100,000 operating grant is to assist the Urban League of Greater Cleveland (ULGC) with increasing capacity and creating infrastructure for ULGC to provide additional micro lending capital and services to entrepreneurs and small businesses, in order to secure micro lending status by the U.S. SBA. The agreement will cover operating expenses between August 1, 2019 and July 31, 2020.

Project Description

Since 2015, ULGC has served 3,070 business clients and assisted in the creation of 237 new businesses. This assistance resulted in the creation of 1,291 new jobs. Based on this success and their analysis of market demands, ULGC is moving forward with several additions to their programming package. ULGC has taken on a more active role in loan origination, processing, and closing micro loans for small business clients. Through their partnership with National Development Council (NDC) for the Capital Access Fund, ULGC participates in loan generation and underwriting analysis. ULGC's marketing and outreach activities have resulted in a consistent flow of applicants with lending needs of \$50,000 or less on average.

ULGC plans to increase micro loan origination by 30% by end of 2020. Urban League will build the infrastructure and systems needed to become a micro lender to businesses in the early stages of development and/or have lending needs of \$50,000 or less on average. ULGC has been invited to apply to secure micro lending status by the U.S. SBA. This plan allows them to continue making loans with NDC as well as bring in additional loan funds to allow ULGC to do its own direct lending as a micro lender. The Department is prepared to fund \$100,000 towards the new program. This will allow for the addition of one full-time staff person to cover the program.

Scope of Work for 2019-20:

The scope of work for 2019-2020 is as follows:

1. Establish and recruit a micro-lending officer and support staff
2. Acquire appropriate technological systems necessary to service a micro-loan portfolio
3. Conduct monthly follow up with borrowers and post counseling to stay abreast of business operations and to be proactive in uncovering potential issues.

4. Identify Cleveland area businesses that are either in the start-up or expansion stage, and are in need of micro-lending assistance.
5. Serve as a direct provider of micro-lending services
6. Serve as both a direct service provider or referral source to externally provided services for technical training and support.