



## Legislation Text

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**File #:** 69358, **Version:** 1

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### **Fiscal Note**

The proposed resolution authorizes a \$300,000 contract with Wisconsin Women's Business Initiative Corporation (WWBIC), which includes the administration of the Kiva Madison program from 2022-2024 (\$200,000), Kiva Madison match funding for other targeted businesses (\$50,000), and Kiva Madison match funding for Worker Cooperatives (\$50,000). The Kiva Madison program and general match funding will be funded by the Economic Development Division's Small Business Equity and Recovery (SBER) capital program with the Worker Cooperatives match funded by EDD's Cooperative Enterprise Development capital program, which have approximately \$3 million and \$245,000 of available budget authority, respectively. No additional city appropriation is required.

### **Title**

Authorizing a \$300,000 contract with the Wisconsin Women's Business Initiative Corporation ("WWBIC") for the administration of the Kiva Madison program for 2022-2024 (\$200,000), Kiva Madison match funding for Worker Cooperatives (\$50,000), and Kiva Madison match funding for other targeted businesses (\$50,000).

### **Body**

WHEREAS, the Kiva Madison Program was introduced to the community in 2019 as a platform to crowd-fund small, early-stage entrepreneurs with limited access to funding; and

WHEREAS, Kiva is a non-profit based in San Francisco providing micro-loans to entrepreneurs around the world who need a small amount of capital to support their business. Capital is crowdfunded online from both a local and global community of lenders. The program offers \$500-\$10,000 loans, 0% interest, fixed monthly repayment terms up to 36 months and has a 90% funding success rate. The process does not require a formal credit score, collateral, tax returns, business plan or social security number; and

WHEREAS, small businesses identify capital as their most important need and Kiva provides affordable credit to underserved borrowers based on character, relationships reputation and the social impact of the business; and

WHEREAS, because of COVID there continues to be a disproportionately low representation of businesses of color in the local economy; and

WHEREAS, the Kiva Madison program has prioritized recruiting businesses that represent communities of color, low-income populations, immigrants, women entrepreneurs and other groups that face historical barriers to starting businesses; and

WHEREAS, during its first three years of operations, the Kiva Madison program helped start and grow 81 Madison-area small businesses totaling \$534,500 in funding with 57% identifying as an ethnic or racial

minority and 67% identifying as female; and

WHEREAS, the Wisconsin Women's Business Initiative Corporation ("WWBIC") manages the Kiva Madison program locally; and

WHEREAS, a \$200,000 contract with WWBIC will provide administrative support for the Kiva Madison Program for a three year period of 2022 through 2024, including a WWBIC staff person available to assist entrepreneurs with soliciting loans through the Kiva platform; and

WHEREAS, the City had previously directed \$50,000 to WWBIC to be used as match funding for Worker Cooperatives, in concert with the City's Cooperative Enterprise Development Program; and,

WHEREAS, during the COVID Pandemic, the City redirected this \$50,000 to non-cooperative businesses struggling with the Pandemic; and,

WHEREAS, staff recommends replenishing this Worker Cooperative match funding, using available funds in the Cooperative Enterprise Development Loan Program; and,

WHEREAS, staff recommends adding an additional \$50,000 of match funding for other non-Cooperative targeted businesses.

NOW THEREFORE BE IT RESOLVED that the Common Council authorizes a \$300,000 contract with the Wisconsin Women's Business Initiative Corporation ("WWBIC") for the administration of the Kiva Madison program for 2022-2024 (\$200,000), Kiva Madison match funding for Worker Cooperatives (\$50,000), and Kiva Madison match funding for other targeted businesses (\$50,000).

BE IT FINALLY RESOLVED that the Mayor and City Clerk are authorized to execute said contracts and are authorized to execute, deliver, accept and record any and all documents and take such other actions as shall be necessary or desirable to accomplish the purpose of this resolution in a form approved by the City Attorney.