



Legislation Text

File #: 58336, **Version:** 1

Fiscal Note

The proposed resolution authorizes a purchase of service contract for up to \$50,000 with the Wisconsin Women's Businesses Initiative Corporation (WWBIC). The Economic Development Division's 2020 Adopted Operating Budget includes \$50,000 to continue the Kiva Program, which has provided a platform to crowd fund small, zero-percent rate loans to small businesses with limited access to traditional sources of capital. No additional City appropriation is required.

Title

Authorizing the provision of \$50,000 to continue Kiva Madison by supporting the staffing and administrative costs for the Kiva Madison Lead Position, which is based at the Wisconsin Women's Businesses Initiative Corporation (WWBIC). Kiva Madison provides zero interest loans that help to make entrepreneurship more inclusive to women, people of color, immigrants, veterans, and lower income entrepreneurs and business owners.

Body

WHEREAS, in March of 2017 the Common Council adopted the Connect Madison Economic Development Strategy (RES-17-00207) and directed City Staff to move forward with implementation; and

WHEREAS, one of the five Strategy's was to Support Businesses, Cultivate Entrepreneurship and Champion New Business Models. A Priority Project listed under this strategy is to become a Kiva City which would require an upfront investment to establish the program and ongoing work to promote and manage the process; and

WHEREAS, the Kiva Program in 2019 was introduced to Madison as a platform to crowd-fund small, zero percent rate loans of \$500 to \$10,000, providing early-stage funding to entrepreneurs with limited access to funding through private and public programs in the City of Madison; 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, there is 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 year of operations, the Kiva Madison program helped start and grow 15 Madison-area small businesses totaling \$86,500 in funding with 73% identifying as an ethnic or racial minority and 73% identifying as female; and

WHEREAS, the City of Madison's 2019 Operating Budget authorizes \$50,000 per year for the next three years to launch the Kiva Madison Program; and

WHEREAS, the City's \$50,000 investment will be matched by \$200,000 in funds from private sector partners; and

NOW THEREFORE, BE IT RESOLVED, that the Mayor and the Common Council approve the authorizing to assist Wisconsin Women's Businesses Initiative Corporation (WWBIC) in staffing a Kiva Madison Lead position for the designed service; and

BE IT FURTHER RESOLVED, that the Common Council authorizes the Mayor and the City Clerk to enter into a contract for up to \$50,000 on behalf of the City with this organization, as required, to perform the desired service.

BE IT FINALLY RESOLVED that the Mayor and City Clerk 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.