

## Lauren Henning

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**From:** Powell, Shannon <Shannon.Powell@cityofracine.org>  
**Sent:** Friday, June 26, 2020 11:07 AM  
**To:** Stephanie Jones; Lauren Henning  
**Subject:** Response and materials for your Sunday Story  
**Attachments:** Non-Funded Business List.pdf; Round 2 SBEAF Award Recipients.pdf; Small Business Emergency Assistance-Second Round-Application.pdf; Small Business Emergency Assistance-Second Round-Program Guidelines.pdf; Response to Dimple Question 6-26-20.docx

Hello Stephanie and Lauren,

As I mentioned before, I am not involved in the open records request process. That process is run through the City Attorney's office and they work diligently at filling all requests as fast as they can.

I do want to be responsive to your questions on policy issues and worked with the City Attorney to send you this response. I have attached a couple of documents with information that may be helpful as you write your story. The documents include:

- Detailed program guidelines on funding administration for the second round of grants
- Sample application showing the types of information that we collected from applicants for the second round of grants
- The list of businesses that were funded in the second round of grants and their awarded dollar amounts
- The list of businesses that were not funded in the second round
- A document with a statement from the Mayor in response to your questions about Dimples

I hope you will include in your story that the City of Racine, I believe was the first municipality in the state to mobilize funds to try and get them in the hands of small businesses who we knew were hurting. We deployed \$900,000 in two rounds of grants/forgivable loans to 164 businesses. We knew the need was great. The City's view was that businesses were doing a public service by being closed - they were actually helping to slow the potential spread of COVID-19 in the community - and the City wanted to get funds out to help them quickly. A major goal was to get funding to as many businesses as possible.

It is also worth just noting that these were funds that the City could have used for other things, including in part, filling our own budget hole which we anticipate could be worse than what we faced last year.

City Development staff conducted the initial screening of the businesses applications to make sure they met the minimum requirement - for instance, we had several businesses from Mount Pleasant and Caledonia apply for the funds - and they were not eligible obviously. City Development staff then took the qualified list to the larger group of people who reviewed the applications.

The staff members who reviewed the applications were Mayor Mason, William Martin (the City's Chief Innovation Officer), myself, Jim Palenick (the City Administrator), and Matthew Rejc (the Manager of Neighborhood Services in the City Development Department). Members of the group were included due to their knowledge of the subject matter and relevance to the funding process. Because this group was

comprised of staff, and its meetings were held as internal staff meetings, no official minutes were taken - which was one of the questions you asked in your open records request.

This was a competitive grant process where every applicant was competing against one another. According to City Development, we had received requests totaling at least \$1,656,064 during Round 1 and \$1,324,749 in Round 2. Total applicants in Round 1 were 139 and in Round 2 were 218. There was not a cut score or a scoring system used to determine awards. The funding selection group took into account a number of criteria when determining funding allocations, including those listed on the attachment under Section D of the program guideline (which is attached to this email), as well as variety of other factors such as the number of employees at the time of application, DBE status, location within the City, the owner's City residency status, the amount of funds received/applied for from other financing programs (PPP, EIDL, etc.), other financial information that was supplied, compliance with City ordinances, zoning requirements and other laws, as the narrative from the applicant provided in the application.

Here are some examples of criteria:

- Applicant residency was considered on a case-by-case basis. Typically, grantees were awarded an additional amount, ~\$1,000, if the owner lived in the City.
- The degree of need for emergency assistance demonstrated by applicants was largely determined through the applicants' abilities to receive revenue during the State's Safer at Home restrictions (if moved to or already did a lot of online sales, versus being a business that did not or was not able to open at all; or if you reported that even under Safer at Home your revenue was up, you were less likely to receive funds).
- Geographic diversity across the City was considered to ensure that funded businesses were representative of the City's major commercial corridors
- Unique character of the applicant businesses and roles they play in the community was chiefly determined by the specific industry and business sector of the applicant
- Funding was prioritized to businesses owned by women, persons of color, and veterans
- Eligible businesses that employ a relatively large number of employees were prioritized for higher funding amounts
- Applicants who received large amounts of funding from other programs (PPP, EIDL, etc.) were de-prioritized for funding, while applicants who applied for but were denied funding were prioritized - so a business who applied for and received \$200,000 of PPP dollars, may have been less likely depending on other things to get a City grant of up to \$6,500 than a business who applied for \$15,000 of PPP and was rejected or still waiting to hear back for the federal government
- Subjective criteria were considered based on financial information, narrative from the applicant, compliance with City ordinances and laws, and other information presented in the application (so for instance if you owed more to the City in back taxes or fines prior to the impacts of COVID-19, you were less likely or possibly disqualified from receiving a grant)

I hope this is helpful as you put together your story for Sunday,

Best,

Shannon Powell

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