

WARD 8 CIF

WARD 8 COMMUNITY INVESTMENT FUND ROUND II

2024 INFORMATION PACKET



The application for the 2nd Cohort of recipients opens on Friday, May 31, 2024 at 12:00AM. All applications must be submitted by 11:59PM on Sunday, June 30, 2024 at DCCDC.org.

For questions about the program or application process please email us at connect@DCCDC.org.





**COUNCIL OF THE DISTRICT OF COLUMBIA
OFFICE OF COUNCILMEMBER TRAYON WHITE, SR., Ward Eight**

For Immediate Release

May 28, 2024

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**Councilmember Trayon White to Co-Host the Launch of the
Ward 8 Community Investment Fund for Small Businesses and Entrepreneurs**

(Washington, DC) - May 30th at Sycamore & Oak from 6:00 pm -7:00 pm for the launch of Round II of the Ward 8 Community Investment Fund (Ward8CIF), providing startup and working capital to Ward 8 entrepreneurs.

Eight hundred thousand dollars (\$800K) is available through grants and loans, with awards up to \$40K announced in July. This round includes a new mini-grant opportunity for youth ages 14-21 who want to grow their business with funding up to \$2K.

The Ward8CIF has a mission to close the 81x racial wealth gap in DC by funding entrepreneurs and to foster a vibrant small business economy in Ward 8, and sustainably strengthen the Ward 8 community, through culture building and job creation. Ward 8 businesses receive only 2.3% of all working capital in DC from banks and other financial institutions.

Nonprofits are not eligible. Must be a Ward 8 resident-entrepreneur or business enterprise to qualify. The Ward8CIF is a credit building grant-secured loan program for aspiring or current small business owners. Information sessions and technical assistance are provided.

Ward8CIF partners include Ward 8 Councilmember Trayon White, DC Community Development Consortium (DCCDC), DC Department of Small Local Business Development (DSLBD), LISC DC, Life Asset, Ballard & Spahr, H2DesignBuild, Ward8 Arts Collaborative.

Go to DCCDC.org to RSVP or apply through June 30th.

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PROGRAM OVERVIEW

DC Community Development Consortium's mission is to research, develop and implement hyper-local, place-based economic equity strategies through strategic partnerships and investments in commercial enterprises which create wealth for Ward 8 residents and small businesses. We serve as a brain trust to facilitate systemic solutions to help close the alarming racial wealth gap and help to produce intergenerational wealth for Black Washingtonians structurally excluded from economic opportunities and financial wellness. The Ward 8 Community Investment Fund (W8CIF) is one of DCCDC's five community economic development programs. W8CIF is a black-led place-based funding opportunity offering "grant-secured loans" to Ward 8 resident-entrepreneurs and small businesses.

Grant-secured loans are a new generation of anti-racist financial products developed by and for black entrepreneurs in partnership with elected officials, DSLBD, and Life Asset, a small business-focused CDFI. For the second round, DCCDC will award \$800K in Grant-Secured Loans across four tiers:

- Start-Up – Up to \$10,000 Award (\$5,000 Grant | \$5,000 Loan)
 - Youth Entrepreneurship Grant (Ages 14-21) – Up to \$2,000 Grant
- In-Business – Up to \$20,000 Award (\$10,000 Grant | \$10,000 Loan)
- Business Growth – Up to \$40,000 Award (\$20,000 Grant | \$20,000 Loan)

The application opens Friday, May 31, 2024 at 12:00am, and must be submitted by Sunday, June 30, 2024 at 11:59pm. Awardees will be announced on Friday, July 20, 2024 and funds will be dispersed the week of July 29th.

WHAT IS A "GRANT-SECURED LOAN" AND HOW DOES THE PROCESS WORK?

A grant-secured loan is a new generation of anti-racist financial products developed by and for black entrepreneurs in partnership with elected officials, DSLBD, and a small business-focused CDFI. The Grant-Secured Loan program is a program that awards grant funds to use as collateral to gain access to a credit-building, loan at 6% APR and flexible terms to help grow your business. Once the loan is paid back in full the grant funds will be released to the awardee, to continue building their business.

This grant-secured-loan product is designed to address the unmet needs for funding not available to many black founders due to the racial wealth gap in Washington, DC. Grant-secured loans channel funding to small businesses, in the areas of DC that it's needed most while enhancing the credit history of awardees and improving their access to mainstream funding options.

How it works:

1. Applicant submits the application on the DCCDC website by Sunday, June 30, 2024. Applicants will receive an award notification via email on Friday, July 20, 2024.
2. Awardees will schedule an appointment the week of July 29th to sign:
 - a. The Grant agreement, issued by DCCDC; and
 - b. The Matching loan agreement, issued by Life Asset
3. The applicant receives their grant funds and authorizes the full amount of the grant funds to be deposited into an escrow savings account to use as collateral to secure the matching loan.
4. Life Asset, our partner CDFI, issues the matching loan amount in the form of an ACH transfer to the awardee's bank account, minus a 3% fee to cover the cost of hands-on instructional training classes to grow their business.
5. Once the loan is secured the awardee can use the loan funds to start or grow their business and generate additional revenue.
6. The Recipient begins paying on the loan amount 30 days after the loan is disbursed with the following terms:
 - a. 6% annual percentage rate
 - b. Loan payment options of 12 or 24 months (note: no prepayment penalty after first 6 months of payments.)
 - c. On-time payments will be reported monthly to TransUnion and Equifax to start building the awardee's credit report.
 - d. Repayments are paid via automated debit from the awardee's checking account.
 - e. If an awardee misses any monthly payment on their loan, the payment will be deducted from their grant funds in the escrow savings account.
7. Awardees pay off the loan per the terms stated above and in the loan agreement and receive the escrowed grant funds, minus any deduction(s) for missed payments of the loan.
8. Awardees can then use their grant funds to continue building their business. No portion of the grant must be repaid.
9. Recipients must use their loan funds and report expenditures by December 31, 2024. Recipients are also required to return a recap survey declaring expenditures, other related information regarding the use of funds, and any economic impacts.

CLIENT JOURNEY EXAMPLE

Ashley applies for the Start-up tier and is notified that she is an award recipient of the \$5,000 grant and \$5,000 matching loan. After signing the agreements, Ashley authorizes her grant funds to be deposited into her escrow savings account to be used as collateral to secure her loan. Ashley's \$5,000 matching loan is issued and deposited into her bank account. Ashley repays her loan according to the 6% APR term over 24 months. Upon full repayment, the loan is made whole and unlocks Ashley's remaining grant funding so she can continue to build her business.

If the recipient misses a payment, the grant funds held in escrow will cover their obligation.

Technical assistance and Complementary business platform trainings are available to recipients throughout the program.

PROGRAM TIERS

	Start-Up	In Business	Business Growth
Grant Award Up to:	\$5,000 (\$2,000 for Youth)	\$10,000	\$20,000
Matching Loan Amount	\$5,000 (N/A for Youth)	\$10,000	\$20,000
Loan Fee(s)	6% APR	6% APR	6% APR
Ideal Applicant	Aspiring or new Entrepreneur with less than 1 year in business seeking funds to start or strengthen your new business.	Entrepreneur with at least 1 year in business seeking funds to sustain and strengthen your business.	Established Entrepreneur with 3+ years in operation seeking funding to sustain, strengthen, or expand your business.
Use of Funds:	Include costs related to starting and growing a business not otherwise classified as “Ineligible Use of Grant Funds” listed on page 6 of this document	Include costs related to starting and growing a business not otherwise classified as “Ineligible Use of Grant Funds” listed on page 6 of this document	Include costs related to starting and growing a business not otherwise classified as “Ineligible Use of Grant Funds” listed on page 6 of this document
Eligibility:	<ul style="list-style-type: none"> • Reside or operate a business in Ward 8 	<ul style="list-style-type: none"> • Reside or operate a business in Ward 8 	<ul style="list-style-type: none"> • Reside or operate a business in Ward 8
Awardees must	<ul style="list-style-type: none"> • Complete online application • Less than 1 year in business • If you are applying for the youth grant you must be ages 14-21. 	<ul style="list-style-type: none"> • Complete online application • At least 1 year in business 	<ul style="list-style-type: none"> • Complete online application • At least 3 years in business

INELIGIBLE USE OF GRANT FUNDS

Funds CANNOT be used for the following expenses:

Categories	Ineligible Costs
Food and Beverages	Food and beverages include items intended for consumption: raw, cooked, or processed edible substances, ingredients, ice, water, or any other beverages.
Alcohol	Alcohol or alcohol-related paraphernalia: wine glasses, mixers, beer taps, etc.
Donations	Donations or charitable giving to non-profit organizations.
Fundraisers	Payments to a professional fundraiser to raise funds for the Grantee.
Legal	Legal guidance, services, or assistance to bring legal charges against the District of Columbia Government.
Lobbying	Any expense associated with lobbying officials, elected, or appointed, of the District of Columbia Government.
Undocumented Expenses	Expenses not documented or improperly documented.
Illegal Expenses	Any expense that is illegal in the District or otherwise deemed disallowed by DSLBD in its sole discretion.

APPLICATION PROCESS

The application for Round II opens on Friday, May 31, 2024 at 12:00AM. All applications must be submitted by 11:59PM on Sunday, June 30, 2024.

To review and submit the application visit: www.DCCDC.org

- Click on “Opportunity” from the navigation bar
- Click on “Apply Now”

You will need the following information and/or documents to complete the application:

- Applicant Contact Information**
 - Full Name
 - Mobile Phone Number
 - Email Address
 - Home Address
- Business Information**
 - Business Name
 - Legal Entity Type
 - Business Address
 - Length of Time in Business
 - Industry
- Answer Pitch Questions**
 - About your business, product and/or services
 - Use of funds
- Attach Supporting Documents**
 - State Issued Photo ID
 - Proof of Ward 8 Residency for Applicant or Business
 - Business license or other proof of business operations
 - 1 Year Profit & Loss Statement (Business Growth Tier only)

For questions about W8CIF or the Grant-Secured Loan application process please email us at connect@DCCDC.org.

KEY DATES

Information Session (1) Thursday, May 30, 2024 at 6:00PM – 7:00PM

Application Opens Friday, May 31, 2024 at 12:00AM

Virtual Information Sessions Thursday, June 6, 2024 at 6:00PM

Thursday, June 13, 2024 at 6:00PM

Thursday, June 20, 2024 at 6:00PM

Thursday, June 27, 2024 at 6:00PM

Selection Committee Nomination accepted Monday, June 3, 2024 – Monday, June 17, 2024

Application Closes Sunday, June 30, 2024 at 11:59PM

Awardees Announced via Email Friday, July 20, 2024 by 12:00PM

Funds Awarded The week of July 29th 2024

Loan Funds must be used and reported by Tuesday, December 31, 2024 at 11:59PM

