

CHALLENGES RELATED TO GRANT & LOAN PROGRAMS



LOCAL OFFICIALS



	Program Design	Open Period	Eligibility Review	Selection Process	Distribution of Funds	
Actions	<ul style="list-style-type: none"> ▶ Decide eligibility criteria, application requirements and selection mode ▶ Decide amount per grant/loan ▶ Plan and execute outreach engagement 	<ul style="list-style-type: none"> ▶ Coordinate with CDBG guidelines ▶ Gather input on program design & application 	<ul style="list-style-type: none"> ▶ Provide technical support 	<ul style="list-style-type: none"> ▶ Categorize applicants based on geographic determinants ▶ Manage stringent CDBG compliance 	<ul style="list-style-type: none"> ▶ Verify and coordinate review of applications ▶ Determine make-up of advisory/review committee ▶ Rate business recovery plan objectively 	<ul style="list-style-type: none"> ▶ Ensure number of applicants selected matches funding
Challenges & Constraints	<ul style="list-style-type: none"> ▶ Rapidly evolving pandemic & urgency to distribute funds ▶ Crafting eligibility criteria around equity implications ▶ Structuring selection process around equity ▶ Reaching underrepresented small business owners ▶ Establishing partnerships with business administration or city council officials in promise zone 	<ul style="list-style-type: none"> ▶ Addressing discrimination against underserved groups ▶ Accounting for digital equity in outreach engagement ▶ Identifying which communities to reach/target ▶ Considering supplemental small business funds and tech assistance (to avoid relying on major financial institutions) 	<ul style="list-style-type: none"> ▶ Administrative capacity ▶ Technical infrastructure to handle application demand 	<ul style="list-style-type: none"> ▶ Balancing local-level interests with CDBG criteria 	<ul style="list-style-type: none"> ▶ Minimizing discretion of city officials in determining outcomes 	

APPLICANTS



Actions	▶ Learn about program	<ul style="list-style-type: none"> ▶ Access and complete application ▶ Complete tax documentation ▶ Prove loss of business from covid-19 	<ul style="list-style-type: none"> ▶ Produce recovery plan to indicate business survival post-covid ▶ Submit other required documentation 			
Challenges & Constraints	<ul style="list-style-type: none"> ▶ Exposure and awareness ▶ Digital access 	<ul style="list-style-type: none"> ▶ Lacks knowledge about gathering and completing required documentation 	<ul style="list-style-type: none"> ▶ Digital access ▶ Site crashes 			

+ HISTORICAL & ONGOING STRUCTURAL BARRIERS

- ▶ General exclusion of underserved population
- ▶ Historical barriers to starting or owning a business
- ▶ Owners' race/ethnicity & wealth shape loan access
- ▶ History of discriminatory lending practices from banks and credit unions
- ▶ Unequal time, attention knowledge, and resources