

Racine Mayor Mason: Announces new microenterprise loan program HUD funds available to businesses with five or fewer employees

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CONTACT:

Mayor Cory Mason
262-636-9111

The City of Racine is announcing the creation a new loan program to support and expand small business development.

The Microenterprise Revolving Loan Fund is being established to provide low interest loans up to \$15,000 to early stage, owner-operated businesses based in Racine.

“This is the perfect time to announce this program,” said Mayor Cory Mason. “As the City prepares for what could be unprecedented development, we must leverage the talent, grit, and growth potential of area entrepreneurs to increase their access to opportunities for success and growth.”

The Micro Fund is made possible through federal funding from the Department of Housing and Urban Development’s Community Development Block Grant program. The City of Racine will accept applications twice annually through a Notice of Funding Availability until funds run out. In the 2018 fiscal year, \$62,700 has been made available for the Micro Fund. Eligible businesses must have 5 or fewer employees, including the owners, and be in operation between 6 months and 3 years. The Micro Fund has fewer federal regulations than other City of Racine Small Business loan programs, and

supports the City's 5 year Comprehensive Plan for economic development.

"This program provides much needed capital to under-represented, Racine businesses, and helps them move to the next level. I have heard from many local businesses about their struggles to secure credit in the early development stages, and the Micro Fund works to do just that," says Mayor Mason.

"The microenterprise loan program will help small businesses overcome stumbling blocks to larger opportunities," said Community Development Committee member Victor Frasher, who is also the Director of Community Engagement at Educators Credit Union.

The process will be very straight forward, according to Ben Lehner, the Community Development Program Specialist. "Completed applications and business plans will be vetted using a scoring matrix that highlights owner experience, business capacity, and leverage of other business resources. The strongest applicants will be recommended to the Redevelopment Authority for final approval," said Lehner.

The program is pending Community Development Committee approval to refer to the Common Council, where it is expected to pass at their next meeting, October 2. The City Development Department expects to have the initial Notice of Funding Availability announcement ready and posted on Department of City Development website in early November.