

## Executive Summary

The Equitable Wilmington Collaborative received a three-year, \$4 million investment through JPMorgan Chase's Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) program. Funds from this investment support the redevelopment of vacant and blighted homes, small business support, and the development of community facilities. This report serves as the second of three annual white papers required of grantees, corresponding to the Collaborative's second year.

The Collaborative's three members are Cinnaire, NCALL Loan Fund, and True Access Capital, all Community Development Financial Institutions (CDFIs) with a long track record of lifting up communities underserved by traditional lending institutions. The Collaborative is focused on three neighborhoods in Wilmington – Westside/West Center City, Eastside, and Northeast – and has established six core goals and targets:

1. To build healthy neighborhoods through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans.
2. Launch a governance structure: Hire a Collaborative Project Manager and create a Community Advisory Committee comprised of representatives from CBOs, City government departments, and local business leaders.
3. Small business support: 48 loans totaling \$1,020,000, with 48 small businesses assisted.
4. Affordable housing preservation: 108 units preserved or rehabbed.
5. Community facilities: 7 facilities supported including loans and/or technical assistance.
6. Capacity building: 6-10 capacity-building grants deployed, and 60 JumpStart trainees (small-scale resident developers) trained.

This report represents the second of three white papers as required by JPMorgan Chase. The first white paper, submitted in January 2021, established a baseline of economic conditions for the city and the three targeted neighborhoods, addressed characteristics of and lessons learned from the Collaborative's first year in joint operations, and highlighted key successes accomplished by the Collaborative in its 12 months.

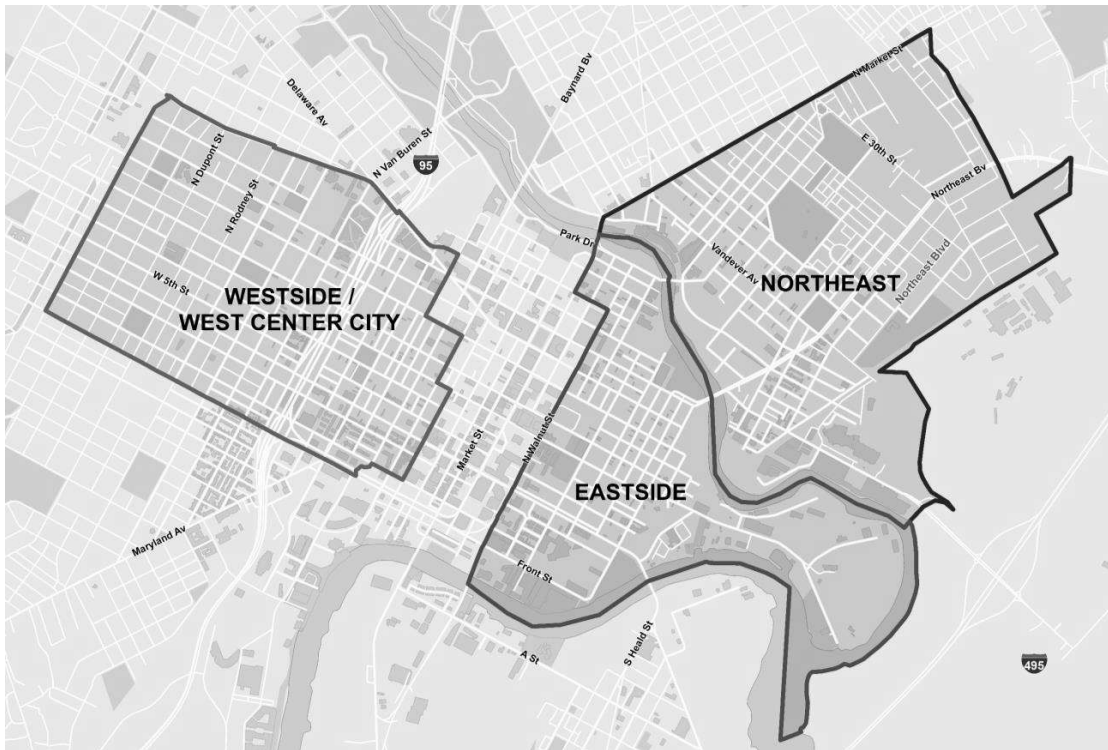
Of course, this first year as the Collaborative was quite an unusual one, which created unforeseen challenges in grant compliances and elevated the importance of the task at hand in supporting Wilmington's neighborhoods and businesses. The devastation and uncertainty facing local small businesses has necessitated a strong and integrated response, so it is fortunate that the Collaborative has been in place with funding, targeted objectives, and a coordinated effort.

In its first year, the Collaborative was successful in fulfilling all reporting requirements and in claiming numerous successes in coming together to accomplish the desired outcomes of neighborhood investment and community empowerment. This second of three white papers now expresses the

further maturation of the partnerships forged by the Collaborative structure and shared objectives, and celebrates additional accomplishments achieved by the Collaborative in the three focus neighborhoods.

Looking ahead to the remainder of 2022, the Collaborative continues to focus on its core activities, while thinking about how the three member CDFIs might continue to work with one another even after the program is completed, building from their connections that began even before their involvement in this initiative.

Figure ES.1: Equitable Wilmington Collaborative’s Three Focus Neighborhood: Westside/West Center City, Eastside, and Northeast



Source: Google Maps (2020), Econsult Solutions, Inc. (2020)



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# 1. Introduction

## 1.1. Purpose of the Report

Equitable Wilmington has received a three-year, \$4 million investment through JPMorgan Chase's Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) program. The funds from this investment are supporting activities including housing development, small business development and entrepreneurial support, and support of community facilities that bring resources to the local community. Now finishing its second year, Equitable Wilmington Collaborative has continued to offer grants, loans, and technical support to small businesses, local developers, and community-serving organizations.

This report is the second of three white papers for the Equitable Wilmington Collaborative. The first, completed in January 2021, brought together quantitative and qualitative research, including publicly available sources as well as from the Collaborative itself, to establish a baseline understanding of the three focus neighborhoods in Wilmington and of the Collaborative's goals over the full PRO Neighborhoods program. This report includes updates to the citywide and neighborhood-level metrics and offers an update on the work that the Collaborative has achieved in the past year, including funding (loans and grants), technical assistance, and branding of the Collaborative itself.

The disruptions caused by COVID-19 have continued to have an impact, including how businesses operate, wealth is distributed, and economic security is achieved. In addition, the ongoing pandemic has shifted the day-to-day mechanics around how the Collaborative operates, including how member CDFIs work with each other and with businesses, organizations, and individuals.

## 1.2. Member Organizations

Cinnaire, NCALL Loan Fund, and True Access Capital are the three members of Equitable Wilmington Collaborative. As Community Development Financial Institutions (CDFIs), they are mission-driven financial intermediaries that provide sound financial services to communities that are underserved by traditional banks and lending institutions. All three have a longtime presence in Wilmington and have worked both with each other and with local community leaders and organizations over the past several years.

Figure 1.1: About the Equitable Wilmington Collaborative Members

	<b>Cinnaire</b>	<b>NCALL Loan Fund</b>	<b>True Access Capital</b>
<b>Mission / Vision</b>	“All people deserve the opportunities provided by living in healthy communities”	“Strengthen Communities through Housing, Lending, and Education”	“Building a thriving community by empowering a diverse base of entrepreneurs and businesses through access to capital, education, advocacy, and opportunity”
<b>Target Geographies</b>	Mid-Atlantic and Midwestern U.S., with three priority cities of Wilmington, DE; Detroit, MI; and La Crosse, WI	Delmarva Peninsula, with an emphasis on rural communities and select cities in the region	Delaware and southeastern Pennsylvania
<b>Core Activities</b>	Affordable housing, community facilities, neighborhood revitalization, technical assistance, community development financing	Affordable housing, community facilities, and neighborhood revitalization	Access to capital and technical support to business owners, entrepreneurs, and community-based organizations
<b>Organizational Metrics</b>	<p>\$4.5B+ in total investments</p> <p>\$8.8B+ in community impact</p> <p>575+ community development loans extended totaling \$641M+</p> <p>811 housing developments under asset management (over 49,700 affordable apartments)</p>	<p>235 loans made, deploying more than \$145 million (including participations)</p> <p>855 affordable housing units developed or preserved</p> <p>Financed projects that provide more than 400 beds/rooms with support services</p> <p>590,000 square feet of community facility spaces acquired or developed</p> <p>136,000 square feet of commercial/mixed-use space acquired or developed</p>	<p>Over \$50M in support to more than 1,400 small businesses and organizations</p> <p>66 percent of loans to minority borrowers</p> <p>26 percent of loans to women</p> <p>45 percent of loans to low-income borrowers</p>
<b>Role in Equitable Wilmington Collaborative</b>	Lead CDFI for the Collaborative; neighborhood revitalization and housing development and technical assistance; Jumpstart Wilmington	Community-based facilities financing and technical assistance	Small business lending and related technical assistance

### 1.3. Equitable Wilmington Collaborative's Goals & Vision

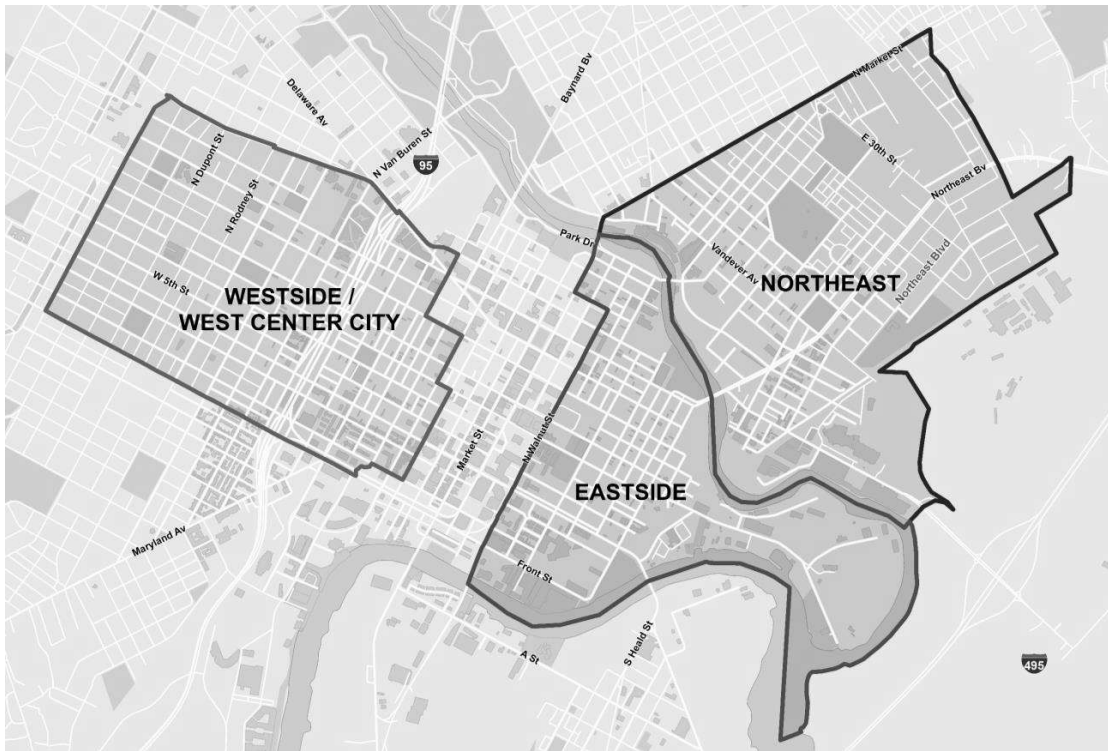
Equitable Wilmington Collaborative's vision is to expand equitable opportunities to underserved neighborhoods by making significant, concentrated investment in economically marginalized communities that surround the Central Business District with targeted capital, training, and technical assistance that promotes equitable development, community development capacity, and healthy neighborhoods. The Collaborative is supporting equitable development by targeting investments in three parts of the city: Eastside (including the 7<sup>th</sup> Street Peninsula), Northeast (including the Price's Run and Eastlake), and Westside/West Center City (see Figure 1.2). These three neighborhoods have historically received less investment from both the public sector and the private sector, compared to downtown Wilmington.

As established in the previous white paper, Equitable Wilmington Collaborative's six core goals for its work are:

1. To build healthy neighborhoods through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans.
2. Launch governance structure: Hire a Collaborative Project Manager and create a Community Advisory Committee comprised of representatives from Community Based Organizations (CBOs), City government departments, and local business leaders.
3. Small business support: 48 loans totaling \$1,020,000, with 48 small businesses assisted.
4. Affordable housing preservation: 108 units preserved or rehabbed.
5. Community facilities: 7 facilities supported including loans and/or technical assistance.
6. Capacity building: 6-10 capacity-building grants deployed, and 60 Jumpstart Wilmington trainees (small-scale resident developers) trained.

Now that the program is in its second year, Equitable Wilmington Collaborative is continuing to track its progress across these goals (see Section 3).

Figure 1.2: The Three Focus Neighborhoods



Source: Google Maps (2020), Econsult Solutions, Inc. (2020)

### Neighborhood Focus: Westside/West Center City

Of the three core neighborhoods, Westside/West Center City is the densest in terms of population, jobs, and businesses. It boasts a diverse mix of professional and non-professional service providers, as well as retail businesses. Given the area's overall layout and proximity to the city's central downtown core, its small business landscape is dominated by industries that thrive off densely populated areas such as retail trade, automotive repair, personal care services, and accommodation and food services.

### Neighborhood Focus: Eastside

The Eastside is the least dense neighborhood in terms of population, jobs, and businesses of the three focus neighborhoods. It lacks a major commercial corridor and has transportation access challenges, particularly in the 7<sup>th</sup> Street Peninsula area, which was historically industrial and has faced challenges in a post-industrial economy. The legacy of the historic industrial waterfront detaches the peninsula from the locus of downtown activity and limits access to the area. The portion of Eastside that connects the 7<sup>th</sup> Street Peninsula to downtown Wilmington has struggled from decades of disinvestment but boasts strong community organizations that have worked to generate investment and quality of life improvements.

Still, the area has the lowest median household income and the highest poverty and unemployment rates of the focus neighborhoods. It has a relative dearth of the kinds of businesses that benefit from physical density or proximity to high-density areas, and as such has the lowest concentration of business categories including real estate, retail trade, and accommodation and food services, and conversely the highest concentration of such business categories as manufacturing, wholesale trade, and transportation and warehousing.

#### Neighborhood Focus: Northeast

The Northeast is demographically similar to the Eastside but does have pockets of higher business density, particularly along commercial corridors where most businesses in the neighborhood are concentrated. It has a relatively high number of retail trade, automotive repair, personal care, and accommodation and food service businesses, and a relatively low concentration of service businesses.

### 1.4. Report Overview & Research Questions

Section 2 of this report offers context on the three focus areas, as well as Wilmington as a whole. The secondary data included in this section is being tracked over time, allowing for continued multiyear comparisons.<sup>1</sup> This section also highlights some of the ways in which the Collaborative is engaging with local community organizations.

Equitable Wilmington Collaborative's 2021 activities are highlighted in Section 3, which offers a high-level progress report of the Collaborative's core goals before delving into the work that has continued to be done in each of the program areas that are represented by the Collaborative's goals. These include, housing development, business development, community facilities, and capacity building. This section offers an overall picture of the full scope of this year's activities. Section 4 continues the analysis of the past year's work, with a focus on continued progress and lessons learned.

This white paper is intended to be responsive to 13 research questions that were developed at the beginning of this grant period (see Figure 1.3). Together with the quantitative metrics, these research questions are used to assess the Collaborative's progress in key areas. These questions are a common thread throughout this report and have continued to guide the Collaborative's activities throughout this second year of engagement. The questions appear in quarterly informal qualitative interviews whose findings are presented internally as a group at the Collaborative's regular meetings, as a way to structure the conversation and bring up topics for further discussion.

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<sup>1</sup> While there is some lag in data reporting from secondary sources, they can be used to identify early trends.

Figure 1.3: Research Questions (Main Sections in Which They Are Covered)

1. How and to what extent are members of the Collaborative deploying capital to underserved or under-reached populations (women, people of color, and LMI individuals)? (Section 3)
2. How and to what extent do the projects that Collaborative members are supporting through this program tie into broader community plans and goals? (2.4)
3. What are some unexpected benefits that members of the Collaborative have experienced through this work (either internally or among recipients of program support)? (4.1-4.3, 4.5)
4. How are members benefitting through their interactions with the other members of the Collaborative? Have there been unanticipated challenges related to the structure of this program? (4.1-4.3, 4.5)
5. How and to what extent are Collaborative members working together? How has that increased organizational capacity? (4.1-4.3, 4.5)
6. How and to what extent is the Collaborative catalyzing additional investment and contributing to revitalization of the Target Area? (3, 4)
7. How have the Collaborative's activities supported affordable housing needs in Wilmington? (3.5)
8. How have the Collaborative's activities supported small businesses in Wilmington? (3.4)
9. How have the Collaborative's activities supported capacity building in Wilmington? (3.7)
10. What are the demographic characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (2.2, Appendix A)
11. What are the economic characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (2.2, Appendix B)
12. What are the real estate market characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (Appendix C)
13. What are the capital access characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (2.3, Appendix D)



## 2. Local Context

### 2.1. Overview

Last year's white paper provided baseline data for both Wilmington and the three focus neighborhoods of Westside/West Center City, Eastside, and Northeast. This year, the data has been updated to reflect the latest available data sources. Because of lags in data reporting and delays associated with the COVID-19 pandemic (for some datasets), most demographic and economic data lags by a year or more, meaning that it may capture pre-COVID conditions. However, the overall trends still offer important insights into the local context.

As described in last year's report, downtown Wilmington has a large concentration of corporate headquarters and big-city amenities for a city of its size. In contrast, the neighborhoods where the Collaborative is focusing its investments have higher rates of unemployment and vacancy, in part stemming from long-term disinvestment. Many of Wilmington's higher-paying jobs are held by people who commute in for work, meaning that income levels in these three neighborhoods are lower than in the metro area.

Through PRO Neighborhoods, the Collaborative is partnering with City government, neighborhood-serving non-profit organizations, and small businesses in these three neighborhoods to ensure equitable access to capital and other necessary resources to support economic opportunity and thriving communities. These investments will support vibrant commercial hubs throughout the city, offering a wide range of products and services to residents, commuters, and visitors alike, supporting local jobs and the local tax base, and instilling citywide pride in the hometown business community. Section 2.4 offers additional context into how the member organizations' past work and the Collaborative's current work ties in with City and neighborhood planning efforts over the past several years, aligning with priorities established by the City and by local community organizations.

Since this project was initiated, small businesses have had to face the twin challenges of surviving a global pandemic and coming to grips with the heightened national awareness of ongoing racial disparities. All small businesses in Wilmington have been affected by COVID-19, and all have had to contend with the reality of continued systemic inequities, particularly as it relates to the availability of capital and access to other support resources. These conditions have both created new challenges for small businesses, as well as exacerbated existing challenges that they already faced.

### 2.2. Demographic and Economic Overview

Wilmington has a high concentration of large corporations and big-city amenities for a city of its size. However, this is juxtaposed with many neighborhoods experiencing poverty, vacancy, and the continued effects of long-term disinvestment.

For the city to thrive in ways that are accessible and inclusive of all its residents, Wilmington must lift up its local small business community. This homegrown talent of shopkeepers, restaurateurs, and personal and professional service providers is the lifeblood of neighborhood commercial corridors throughout the city. Through PRO Neighborhoods, Equitable Wilmington seeks to partner with City government as well

as neighborhood-serving non-profit organizations in the East Side, West Side/West Center City, and Northeast neighborhoods, to ensure equitable access to capital and other necessary support resources that help create economic opportunity and thriving communities.

Despite being a small city (with a population of less than 71,000), Wilmington is a microcosm of racial inequality and inequity as seen in larger cities across the U.S. Across all economic indicators, Black and Latino residents in Wilmington lag significantly behind their white and Asian counterparts (see Figure 2.1).

Figure 2.1: Citywide Economic Measures by Race

Measure	White	Black or African American	Asian	Hispanic or Latino <sup>2</sup>
Share of Population	32.5%	64.0%	1.3%	10.2%
Median Household Income	\$71,320	\$31,629	\$76,630	\$33,295
Poverty Rate	14.2%	33.0%	3.5%	28.4%
Bachelor's Degree or Higher <sup>3</sup>	48.2%	13.1%	62.5%	14.3%
Homeownership Rate	54.9%	36.6%	31.5%	28.0%
Home Loan Denial Rate	7.3%	15.7%	15.7%	10.8%

Source: American Community Survey (2015-2019), Home Mortgage Disclosure Act (2020)

Income disparities between Black and Latino households and White households are markedly greater than the disparities at the county, state, and national levels. While White households in Wilmington earn a median income of \$71,300, Black households make less than half of that (at \$31,600), and Latino households earn a similar amount (at \$33,200). Asian households in Wilmington have a median income that is close to that of White households, although Wilmington has a relatively low Asian population (with fewer than 800 households). To further highlight this racial economic disparity, the poverty rate for White residents is 14.2 percent, which is substantially lower than that of both Black and Latino residents, which have poverty rates of 33.0 and 28.4 percent, respectively.

To bridge the national racial wealth divide, the assets of communities of color must grow. Small businesses owned by people of color are essential institutions that must be strengthened to build assets and advance economic security. Businesses owned and managed by white individuals have long benefited from access to capital and networks that are less available to those owned by people of color. These racial disparities in capital access measures are both symptomatic of broader economic inequities and also portend further entrenchment of these gaps in the absence of intentional investment.

Unfortunately, the publicly available data on the geographic distribution suggests continued persistent inequities in access to home capital, business capital, and branch locations for Black and Latino households compared to white and Asian households (see Appendices C, D, and E). The drastically

<sup>2</sup> The U.S. Census Bureau classifies the ethnicity Hispanic or Latino separately from racial categories, meaning that Hispanic or Latino residents can be of any race and are also included within racial groupings shown in this table.

<sup>3</sup> While there are large disparities between Black and White residents at this level of education, nearly 87 percent of Wilmington's Black residents have a high school degree or equivalent degree or higher, compared to 90.2% of white residents. However, Hispanic or Latino residents also fall behind in this measure, with 63.5% of residents having a high school degree or higher.

disproportionate distribution of subprime (i.e., more costly) loans to Black and Latino borrowers is of particular concern: in 2020, 2.7 percent of home loans to White borrowers were subprime, compared to 29.5 percent of those to Black borrowers and 17.5 percent of those to Latino borrowers.

As described above, the majority of people living in Wilmington do not work in the city, and the majority of people working in the city do not live there: less than one in five Wilmington residents who are employed (corresponding to 7,600 people) also work in the city, with the remaining 25,600 work elsewhere. At the same time, more than 44,500 individuals commute into the city for work. In addition, commuters into Wilmington disproportionately earn higher incomes than residents either working within the city or commuting elsewhere: less than 40 percent of Wilmington residents earn \$40,000 or more, even though 62.4% of the jobs within the city pay at least that much.<sup>4</sup> This dynamic speaks to the relationship between Wilmington and its neighboring communities.

### 2.3. Small Business Landscape and Climate

This section of the 2021 white paper provides an overview of the small business climate as represented by illustrative demographic, economic, and capital access data points. 2021 represented the second year of a devastating pandemic which in addition to representing a public health crisis for the city, also presented major challenges to its small business community and particularly affected the city's most vulnerable neighborhoods. Due to data lags, it will take another year or two for the effects of these negative impacts to be fully reflected in the data snapshots contained in this section. Where data were available to be updated, they have been updated relative to the 2020 white paper.

Small businesses in Wilmington cover a wide range of industries, representing a diversity of products and services available for residents, commuters, and visitors alike. The city boasts a strong concentration of small businesses in Westside/West Center City, with a far smaller number of businesses in the Eastside and Northeast neighborhoods.

A robust and diverse small business community is critical to the vitality of a city. Small businesses attract and retain discretionary spending, supporting local jobs and building up the local tax base. Clusters of small businesses help create a dynamic aesthetic in neighborhoods and on corridors throughout a city. Small business owners represent the backbone of their communities, given the pride they take in their establishments and the many civic contributions they make as proprietors.

Wilmington's small business community is varied in industry and geography. As is to be expected, a high proportion of the city's small business community includes storefronts (retail, food) and services (health care, finance, professional services) (see Figure 2.2). The city's Westside/West Center City, Eastside, and Northeast neighborhoods all boast clusters of businesses that contribute greatly to the strength and identity of those communities. Within these three neighborhoods, the Westside/West Center City has by far the most business establishments, at 248 compared with 81 in the Northeast and 73 in the Eastside. There is a concentration of businesses along the Westside's western border between Dupont

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<sup>4</sup> Bureau of Labor Statistics *OnTheMap* 2019, all jobs.

and Union Streets, and near the intersection of Market Street and Northeast Boulevard in the Northeast (see Figure 2.2).

Figure 2.2: Industries in the Focus Neighborhoods as of June 2020

NAICS	Industry	Westside/West	Eastside	Northeast <sup>5</sup>	W+E+NE
44-45	Retail Trade	63	18	31	112
81	Other Services (except Public	59	7	11	77
72	Accommodation and Food Services	46	8	15	69
62	Health Care and Social Assistance	16	5	5	26
53	Real Estate and Rental and Leasing	10	8	6	24
52	Finance and Insurance	16	3	1	20
54	Professional, Scientific, & Technical	13	3	1	17
31-33	Manufacturing	7	5	4	16
23	Construction	-	7	1	8
42	Wholesale Trade	3	2	3	8
71	Arts, Entertainment, and Recreation	3	3	-	6
51	Information	5	1	-	6
48-49	Transportation and Warehousing	-	3	3	6
61	Educational Services	3	-	-	3
56	Administrative/Support & Waste	2	-	-	2
55	Management	2	-	-	2
<b>Total</b>		<b>248</b>	<b>73</b>	<b>81</b>	<b>402</b>

Source: Google Maps (2020), Econsult Solutions, Inc. (2020)

Data on bank branch locations in Wilmington provides insight into the availability of financial services in Wilmington’s communities, as local banks provide the credit necessary for both residents and small business owners. In 2020, there was a total of 32 bank branch locations in the City of Wilmington, holding over \$210 billion in deposits. Of these 32 branches, only two were located in any of the three focus areas, both along the western edge of Westside/West Center City.

Another metric for evaluating the small business climate is the number and value of loans made to small businesses within the focus neighborhoods. Altogether, small business lending in the three neighborhoods totaled approximately \$29.2 million in 2020, out of a total of \$165.1 million in small business loans citywide that year (see Figure 2.3). Small business lending in the three neighborhoods of focus increased by 243 percent from 2019, while the proportion of loans lent to small businesses in the West Side/West Center City, Eastside, and Northeast neighborhoods in comparison with all small business loans made in the city increased by 4.5 percent.

<sup>5</sup> This data was collected for a market study in June 2020, using a slightly different neighborhood boundary for Northeast Wilmington.

Figure 2.3: Small Business Loans and Amounts, City of Wilmington and Focus Neighborhoods

<b>Geography</b>	<b>Total Loans to Small Businesses</b>	<b>Total Loan Amount to Small Businesses (\$M)</b>
West Side	230	\$11.0
East Side	81	\$9.3
Northeast	146	\$8.9
<b>Wilmington</b>	<b>2370</b>	<b>\$169.5</b>

Source: FFIEC Community Reinvestment Act (2020)

## 2.4. Equitable Wilmington’s Engagement with Local Community Organizations and Non-profits

Each of the three member CDFIs has deep roots in Wilmington, with True Access Capital and Cinnaire (under DCIC) establishing connections in the city beginning in the early 1990s, and NCALL Loan Fund beginning in the early 2000s.

Over the past two years, the member CDFIs have continued to strengthen their ties with local community groups. So far, more than 22 community groups and non-profit organizations have engaged with Equitable Wilmington Collaborative in a variety of ways. These engagements included grant and loan financing, assistance with grant operations, technical assistance, counseling related to financing options, and more. Several of these organizations have also been active partners in the Collaborative’s activities.

For example, Habitat for Humanity of New Castle County is the developer for the Amala Way I housing development described in Section 3.4 of this report. Just a few blocks away is the Lacy Redevelopment project (developed by the Central Baptist CDC), a single-family housing development through Cinnaire Solutions and Central Baptist CDC. Each of these ventures have investment from one or more of the Equitable Wilmington Collaborative members leveraging PRO Neighborhood funding and other sources.

Given the tight-knit nature of the city’s community-serving non-profit organizations, the Collaborative serves as a sort of force multiplier for partnership efforts. Individual Collaborative members were already in the habit of being coordinated with other non-profits and at times, formally partnering on development projects. The formal mechanism of the Collaborative, with its funding availability, impact objectives and reporting requirements, and collaborative infrastructure, further strengthens these connections, which, as will be shown in Section 3, is beginning to yield more funding opportunities and more impactful neighborhood developments. Hence, it has been a beneficial addition to an already vibrant community non-profit ecosystem.

## 2.5. Equitable Recovery

Shortly after the Equitable Wilmington Collaborative was formed, the COVID-19 pandemic spread. This public health crisis has highlighted ongoing inequities in access to healthcare, as well as to economic opportunity. While the pandemic is ongoing, the past two years have seen notable shifts in how we are able to work together and support our communities, even in the face of immense challenges.

Notably, lingering disparities in capital access to small businesses continued and were even exacerbated due to the pandemic, yielding disproportionately disastrous outcomes for the city's most vulnerable small businesses. Collaborative members faced extraordinary challenges supporting business owners in the city's majority-minority communities, who often lacked sufficient working capital to endure extended shutdowns, dramatic declines in business demand, and an increasingly uncertain business climate. Many of these same businesses were already marginalized from traditional financing sources, which became the default mechanism for distributing relief, further aggravating economic disparities. For example, initial distributions of emergency capital via the federal government's Paycheck Protection Program (PPP) prioritized businesses with established relationships with banks serving as Small Business Administration lenders, meaning that far too many owners that most needed those funds were unable to access them. While subsequent distributions tried to compensate for these disparities, the resulting fallout meant painful business closures.

## 3. Equitable Wilmington Collaborative: Year 2

### 3.1. Overview

2021 marked the second full year of the Equitable Wilmington Collaborative's work. After a ramp-up year that faced a new way of doing things, with COVID-19 creating a new level of uncertainty and challenges for many businesses, developers, and community groups, the Collaborative's second year focused on scaling up activity and continuing to build its identity. Over the course of the year, Equitable Wilmington Collaborative continued to make progress on each of its ongoing goals, deploying a total of more than \$7.5 million in loan capital (for a total of more than \$14.3 million over the full period so far, plus \$374,000 in grants) and increasing the number of projects it worked on collectively as a Collaborative. And, as noted previously, Collaborative funding and geographic focus has resulted in more sustained attention in parts of the city that could have benefitted from intervention but had previously been under-invested.

Like in 2020, this section of the report highlights a range of projects and investments that Equitable Wilmington Collaborative made over the course of 2021, across each of its focus areas and in all three focus neighborhoods.

Figure 3.1: Collaborative Goals and Status

Goal	Status at End of 2020	Current Status (End of 2021)
To build healthy neighborhoods through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans	Initial relationships being established, and investments being made; see 3.4-3.7	Market study completed in Summer 2020 to provide baseline data for and about the three focus neighborhoods; see other goals for additional detail on financing and technical assistance.
<b>Launch governance structure:</b> Hire a Collaborative Project Manager and create a Community Advisory Committee comprised of representatives from CBOs, City government departments, and local business leaders	Complete, with quarterly meetings with the Community Advisory Committee to continue through the full period	Complete, with regular meetings with the Community Advisory Committee to continue through the full period.
<b>Small business support:</b> 48 loans totaling \$1,020,000, with 48 small businesses assisted	Initial relationships being established, and investments being made; see 3.5 of first white paper	9 loans to 8 borrowers (business loans and microloans combined), with a combined dollar amount of \$2,023,000 originated.
<b>Affordable housing preservation:</b> 108 units preserved or rehabbed	Initial relationships being established, and investments being made; see 3.4 of first white paper	Four loans totaling \$2,116,000 and two grants totaling \$274,000 for the preservation of 19 residential units, combined.
<b>Community facilities:</b> 7 facilities supported including loans and/or technical assistance	Initial relationships being established, and investments being made; see 3.6 of first white paper	Nine loans (community facilities and commercial loans to developers), totaling \$10,208,330.
<b>Capacity building:</b> 6-10 capacity building grants deployed, and 60 JumpStart trainees (small-scale resident developers) trained	Initial relationships being established, and investments being made; see 3.4 of first white paper	Eight capacity-building grants deployed to 8 non-profits through the Capacity Building Grant Fund, and 62 JumpStart trainees across five cohorts.

### 3.2. 2021 Activities: Overview

Equitable Wilmington Collaborative's activities have continued to cover a wide range of areas, including housing development, small business support, investment in community services, and corridor revitalization. The following sub-sections address these topic areas, with a focus on investments made by the Collaborative in 2021.

### 3.3. Spotlight: Launch Governance Structure

The second year of the Collaborative saw further institutionalization of the components required to operate as a true collaborative entity, rather simply than a loose confederation of organizations committing to working together. The following highlights mark progress in this direction (some initiated in 2020):

1. Hired a Collaborative Project Manager as a distinct role, over and above the deep commitments by multiple senior staff leaders of Collaborative member organizations, to ensure dedicated and sustained oversight of Collaborative work and in particular the participation of the Collaborative and of Collaborative member organizations in projects in the target neighborhoods identified as consistent with Collaborative objectives.
2. Created a Community Advisory Committee comprised of representatives from CBOs, City government departments, and local business leaders, thus creating a formal mechanism for engagement, information sharing, and joint effort on neighborhood development projects.
3. Launched and grew a Collaborative-specific marketing and branding campaign, to distinguish and amplify the work of the Collaborative as a distinct entity over and above the contributions of individual Collaborative member organizations.

There is still ongoing work to be done in solidifying the composition and role of these initiatives, but a considerable amount of progress was made in Year 2 to establish these aspects that will help ensure the prudent governance and sustained effectiveness of the Collaborative.

### 3.4. Spotlight: Small Business Support

2021 was a year Collaborative members focused their small business supports in response to ongoing challenges and disparities. This section highlights two of those areas of focus, several childcare facilities attempting to address the critical need for such services in order to activate the local workforce, and a technology venture dedicated to bridging the growing disparities low-income households face in accessing technology resources for personal use and career options.

#### Childcare Facilities

In September 2021, the Equitable Wilmington Collaborative announced a \$500,000 loan from CDFI True Access Capital (including \$50,000 of the funding through PRO Neighborhood funds) to **Precious Little Hands**, located at 111 S. Lincoln Street in the Westside neighborhood. This loan (together with a \$500,000 loan from a commercial bank) allowed Precious Little Hands owner Tazeema Loatman to purchase the facility. This purchase represents Loatman's first property acquisition for a childcare



facility; she also operates out of two additional locations. The investment allows Precious Little Hands to increase its operating capacity by adding 143 children in addition to the 83 children already cared for in Loatman's two other childcare facilities. This increase in capacity that provides a positive benefit by expanding access to childcare within the community and helps strengthen an African American woman-owned business.

The establishment of a top-rated childcare facility (PLH has maintained the highest possible state rating for childcare centers) serves as a resource that helps to alleviate the inequities faced by Wilmington's Westside neighborhood and the burdens of low-income households. In the area immediately surrounding this newly acquired property (within one mile), 50 percent of households earn less than 50,000 dollars a year.

According to a 2021 survey by Care.com, more than half of all respondents spend more than \$10,000 on childcare, and 85 percent spend more than ten percent or more of their income on this important need. When considering that the median household income citywide is \$45,000, and the median income in Westside/West Center City is just over \$35,000, it is clear that local residents are spending more than they can afford.<sup>6</sup> In addition, households with incomes below \$50,000 (nationwide) report greater challenges in finding childcare providers where they live. They also are 17 percent more likely to have had their childcare provider close permanently or be unavailable during the COVID-19 pandemic.<sup>7</sup>

Altogether, this data points to challenges in both affording and finding access to childcare. Having a facility in close proximity slightly alleviates the transportation and travel time costs borne by members of the Westside community and also reduces the hassle of finding a credible facility. This increases the likelihood of low-income participation, resulting in more time spent at work and less forgone income from caring for children themselves.

Equitable Wilmington Collaborative has also offered a real estate purchase loan to **Tadpole Academy**, at 1238 North Walnut Street in Wilmington's Eastside neighborhood. The academy puts emphasis on educational achievement and readiness for students by providing quality educational services, focusing on pre-reading, language, math, and other cognitive skills. The academy also incorporates opportunities to grow children's emotional and social competence as they prepare to embark on their education. Tadpole Academy supports children aged 6 weeks old to 8 years old and serves to fill a critically important role in student development.

Having the presence of the academy in Wilmington's Eastside neighborhood provides several benefits for parents and children living in the underserved community. Tadpole Academy offers childcare prices that are 72 percent lower than the 2020 national average, enabling families to allocate funds toward other necessities. It offers a fun, engaging, and educational curriculum for students that allows them to build social connections in their early years that will aid them in their future development. In addition, the integration of technology at Tadpole Academy allows families to stay connected in real-time,

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<sup>6</sup> 48 percent of households in the six census tracts that make up Westside/West Center City have incomes below \$35,000.

<sup>7</sup> [This is how much child care costs in 2021](#)

fostering an attitude of greater engagement between parents and children regarding education, which is one of the primary sources of closing gaps of inequality.

A real estate loan from the Equitable Wilmington Collaborative will ensure the Tadpole Academy's future presence and stability within the Eastside community.

**Kids Kingdom** is located at 715 North Orange Street in Wilmington's West Center City district and cares for children ages 12 months to 5 years old. Like Precious Little Hands and Tadpole Academy, this childcare facility offers important access to the surrounding community, filling a much-needed role for local households.

## NERDiT NOW

NERDiT NOW is a small tech company focused on giving back to the community. The company leverages its resources to increase access to technology, create learning and career opportunities, and reduce the environmental impact of outdated devices through EPA-approved recycling methods.

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*"It is my moral obligation to give back to the community. Closing the digital gap, creating jobs and keeping a skilled labor force in the state makes for a stronger economy."*

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Markevis Gideon, Founder and Managing Director of NERDiT NOW

Since its conception, NERDiT NOW has been making strides to exponentially increase its contribution to underserved neighborhoods and work towards its mission of cultivating a technological ecosystem that supports the surrounding community and decreases the inequities in access to technology. From 2018 to early 2021, NERDiT NOW donated more than 5,000 computers to non-profits and community centers in Wilmington, the broader region, and other countries, including Kenya and Ghana. In 2020, the company helped support the transition to virtual learning during the pandemic, including donating computers, offering tech and repairs support, and speaking with students about career paths in technology.<sup>8</sup>

In addition, NERDiT NOW offers several career buildings programs that can help individuals to establish a foothold in an industry that may have seemed out-of-reach before. For instance, it offers a three-month intensive training program that prepares its students for the CompTIA IT Fundamentals, CompTIA A+, and AWS Cloud Practitioner certifications free of charge.

Through Equitable Wilmington Collaborative loans from NCALL and True Access Capital to a local property owner, NERDiT NOW will be able to expand its operations—and in turn its impact – in a more central location in Wilmington. In total, the two CDFIs provided the borrower with a 1.6 million dollar loan, allowing it to redevelop an entire row of two-to-three story buildings on the 200 block of W. 9<sup>th</sup> Street. This includes a ground floor space for NERDiT NOW to use as a training facility in downtown Wilmington.

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<sup>8</sup> Adriana Camacho-Church, "Worth Recognizing: Markevis Gideon," *Out & About Greater Wilmington* (February 26, 2021), <https://outandabouthow.com/2021/02/26/worth-recognizing-markevis-gideon/>.

### 3.5. Spotlight: Affordable Housing Preservation

#### Amala Way I Housing Development

Mentioned in the first white paper, **Amala Way I** is a project being developed by Habitat for Humanity of New Castle County. Cinnaire provided financing for three of seven of the Amala Way I homes, which will be sold at or below 80 percent of area median income (AMI). The remaining four homes have been sold to individuals at 50 percent of AMI, thereby creating a mixed-income development project in a low-income census tract. Amala Way II, located across the street from Amala Way I, will be sold to individuals at 50 percent AMI, through the Habitat program.

Amala Way I & II are located on the Eastside along Bennett Street, in close proximity to the Lacy Redevelopment (developed by the Central Baptist CDC). Also nearby is a single-family housing development through Cinnaire Solutions and Central Baptist CDC, and future projects being planned by the City of Wilmington, Habitat for Humanity, and the developer Woodlawn Trustees. This area has historically had many vacant and unmaintained units, many of which are owned by the Wilmington Housing Partnership (now defunct) and the Wilmington Neighborhood Conservancy Land Bank. These investments, including Amala Way I, play an important role in signaling new investment while protecting affordability for longtime residents. In particular, mixed-use developments like this one are an important part of ensuring that a wide range of residents are able to benefit from investment in the neighborhood, in addition to serving as a catalyst for continued inclusive development.

#### Eastside Rising Housing Development

Cinnnaire Solutions, in partnership with Central Baptist CDC, has established a joint venture to develop ten single-family homes for homeownership on the Eastside. The project is currently slated to occur in three phases, the first of which will consist of four units, commencing in 2022. The homes will be available for purchase to individuals/households at or below 120 percent of AMI. This development project is in close proximity to the Amala Way I & II development project and is part of a broader neighborhood revitalization plan that will be executed by a coalition of community-based development organizations. The development funds for this project include sources from public entities, a local healthcare system, and PRO Neighborhoods.

The Governor of Delaware announced a commitment to invest \$50 million dollars to develop a new K-8 school in Eastside. This is also driving the development of affordable housing for homeownership to create opportunities for families with children attending the school who wish to purchase a home in the neighborhood.

Funding Cinnaire received from Trinity Health/Saint Francis Healthcare, a local healthcare provider, was leveraged for both the Amala Way I and Eastside Rising Housing Development projects as part of an overarching health and housing initiative partnership between Cinnaire and this healthcare institution.

### 3.6. Spotlight: Community Facilities

#### Latin American Community Center

The **Latin American Community Center (LACC)** has deep roots embedded in Wilmington’s Westside neighborhood. Founded in 1969, the organization was created to aid the Latino community in its acclimation to life in a new country by providing services revolving around housing, referral and information services, and employment opportunities. Since then, the number of services has grown to support the Latino community in new ways, with a commitment to lifelong learning and empowerment.

The LACC serves as a powerful resource for its community by catering its programs to reflect their goals of confronting poverty, unemployment, access to healthcare, and education. It provides significant support for families in critical areas, including a child-rearing program that includes breastfeeding classes, nutrition education, and support groups. Such a program offers immediate short-term benefits and long-term benefits that will be realized over time. In the short run, it will equip and prepare soon-to-be parents for the monumental change that comes with birth, and through the program, families have the opportunity to build their networks and potentially find local community support. A cumulative benefit is the knowledge gained from breastfeeding classes and nutritional education that allow parents to establish healthy practices and meaningful relationships with their children at such a critical stage in their lives.

Further, the LACC showcases its commitment to uplifting its community by providing several educational programs including niche services such as their Civics/Citizenship classes that support community members who have begun, or who are about to begin, the naturalization process. In conjunction with this, LACC also offers educational assistance/support for students aged 12 to 18 years old in key areas including help with homework, and college, job, and scholarship applications through the Youth Achievement Center. Likewise, the La Fiesta Early Development Center offers family-oriented learning programs that increase parent participation in their children’s education.

On October 16, 2021, the Equitable Wilmington Collaborative announced the creation of the new LACC Early Development Center which will serve to increase the organization’s capacity and expand its impact, with plans to open in early 2022. The 16,300 square foot facility is anticipated to increase childcare services by 57 percent, from 136 students to 214. This was made possible by NCALL Loan Fund and Cinnaire, in conjunction with the State of Delaware and the Longwood Foundation. The 3.6-million-dollar loan made by the two CDFIs as part of the Equitable Wilmington Collaborative helps to establish a strong foundation for the community to continue to build upon and pave a path toward addressing inequities. New Market Tax Credits also play an important role in financing this project.

Figure 3.2: Early Development Center Groundbreaking Event



Source: NCALL Loan Fund (2021)

### Hispanic American Association of Delaware

The Hispanic American Association of Delaware, located on 9<sup>th</sup> Street in West Center City, recently invested in a catering hall space using a combination of funds from two of the three members of the Equitable Wilmington Collaborative. True Access Capital brought this deal up in one of the Equitable Wilmington Collaborative’s meetings, which led NCALL Loan Fund to join the deal, which is scheduled to close in 2022. This information-sharing is a prime example of how the Collaborative’s regular meeting structure was able to facilitate knowledge sharing that made a project move forward with greater support.

### 3.7. Spotlight: Capacity Building

Capacity building is an area of strategic focus for the Collaborative. The vibrant ecosystem of initiatives and organizations in the city means that there is a multiplier effect that can be achieved by strengthening that ecosystem. Approaches to this include offering tactical supports in key capacity-building areas like organizational design, technology upgrades, and technical assistance provision.

## Equitable Wilmington Capacity Building Fund

In May 2021, the Equitable Wilmington Collaborative awarded a total of \$100,000 to eight non-profit organizations working in one or more of the three focus neighborhoods. These awards were made through the **Equitable Wilmington Capacity Building Fund**, a one-time capacity-building grant for non-profits who support equitable development, to expand their ability to sustainably meet the needs of their communities. A total of sixteen applications were completed, with more than \$200,000 in funds sought, a reflection of the large number of organizations that are doing important work and have identified specific uses for capacity building support.

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*"With the grant we were able to finish the [Wilmington Land Bank] website. The main thing is under the properties tab people are always asking us for inventory and we had to either email it and we had to spend a lot of time around that, but we have this platform now... It has cut traffic by phone and email traffic by 75% just putting this little bit online. Additionally, we have our applications online, to which you know now we don't have all those calls for the application... This has allowed us to focus on other things that we need to do, like planning with the city."*

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Natalie DiCostanza, Contract Manager for Wilmington Land Bank

The awards could be used for assessment of management and governance systems, evaluation of service effectiveness, strategic planning, board or staff development, fund development planning or implementation, establishment of a fund development program, succession planning, mergers or restructuring, technology upgrades, and external communication strategies, among other activities. Notably, seven of the eight recipients completed the activities outlined in their grants by early 2022 – a testimony to the need for continued funding to support capacity building work that is already well underway.

Recipients of the grant were:

- **Be Ready CDC:** To continue to engage a consultant who provided technical assistance in 2020 and the first half of 2021 through NCALL Loan Fund's TA program, which concluded in May 2021. Funds enabled Be Ready CDC to contract with the consultant to continue to provide capacity building support through 2021, including to develop Be Ready CDC's capacity for program planning, administration and staffing, financial sustainability, and real-estate development. This included project management and other support for Solomon's Court project, highlighted in last year's white paper.
- **Collaborate Northeast (DCF Fiscal Sponsor):** To support Collaborate Northeast in building fundraising expertise to put the organization on the path to being sustainable, with the expertise, resource partners, and funding opportunities needed to continue facilitating the collective impact called for by its Implementation Plan over the next 10 years. Funds were used to secure professional fundraising assistance to develop a blueprint for building the organization's capacity to sustain and continue to grow Collaborate Northeast.
- **Cornerstone West CDC:** To administer the new West Side Corridor Revitalization Program along Fourth Street, and to build the capacity of the Economic Development Team via training

opportunities and conferences. The West Side Corridor Revitalization Fund is a place-based approach to community development, implemented in partnership with True Access Capital. The effort is being supported by a local coalition of elected, business, and non-profit leaders through the West Side Grows Together coalition. Through the outreach strategy that will be developed by the new Small Business Coordinator position, in both English & Spanish, Cornerstone and TAC is identifying and supporting local entrepreneurs (a majority Black and Brown owned), establish and sustain successful businesses, work to fill vacant commercial spaces, and restore vitality to Fourth Street.

- **Delaware Community Reinvestment Action Council:** Employing technology to free staff from repetitive tasks and enable them to focus on growing—both in people served, as well as the quality of their programs. Streamlining work through technology, for example by automating data entry from workshops and empowering staff to focus more of their time on the delivery of services that support financial capability. In addition, the use of data for operations (to improve the efficiency and quality of services), fundraising (to include implementing a donor management system and creating compelling visual reports and interactive annual reports), and impact (to measure and evaluate their impact), was a core part of this award.
- **Habitat for Humanity of New Castle County:** To place a Public Ally in their family services department. The Ally serves as the Evaluation Coordinator, working with the Habitat Neighborhood Revitalization Coordinators in the Northeast and Eastside to ensure that evaluation instruments are distributed to Wilmington residents served by HFHNCC. Results will inform future programmatic outreach, with plans for the data to be prepared and presented in summer 2022.
- **Latin American Community Center** (more information in Section 3.5, above): To fund professional development efforts to prepare staff for a planned expansion, including a new Infant and Toddler Center, opening in January 2023. Funds will be used for English classes, business classes, substitute teachers, and credential evaluation and translation for existing and new staff. The LACC has already begun professional development efforts, with the first group having started in the summer of 2021 when the LACC began programing in a rented space that is being used during the construction period. The second group is underway, with professional development efforts occurring weekly from March 2021 until January 2023.
- **REACH Riverside:** To support technology necessary to deliver case management services to program participants. These efforts included the evaluation of CRM systems, obtaining bids from system providers and awarding the job, acquiring system hardware, staff training, beta testing of intake and case management processes, and intake rollout. REACH Riverside’s primary goal in utilizing the funds was to secure an efficient case management system for their staff who serve as navigational coaches for program participants. Navigational coaches will provide direct support and guidance for program participants to advance the development of skills that promote upward economic mobility.

- **Wilmington Neighborhood Conservancy Land Bank:** To offset the cost of their updated interactive website. The digital tools that were initially created were designed to manage an inventory of properties and a demand for information considerably less than what is experienced today: property inventories alone have grown from less than 100 to more than 250 units as the City of Wilmington transfers all vacant properties acquired at tax sale directly to WNCLB. The Equitable Wilmington Collaborative Capacity Building Fund grant will allow the WNCLB to launch the website earlier than would otherwise have been possible, enabling the organization to immediately operate more efficiently.

## Jumpstart Wilmington

The **Jumpstart Wilmington** program launched in October 2020 with an initial cohort of 17 trainees, three of whom represented local community-based organizations developing housing and community facilities in the Collaborative’s focus neighborhoods. By the end of 2021, a total of five cohort were held, with 62 people participating in the program, and 46 official graduates of the program.

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*“There is a mission-driven component when you are developing housing in your own neighborhood. You could make more money investing outside of Wilmington, but when you understand you’re not just investing in yourself but in your community — that is the heart of the matter.”*

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Ivev Ibrahim, Central Baptist Community Development Corporation

The purpose of Jumpstart Wilmington is to promote the growth of local developer capacity through training and development to support neighborhood revitalization and community development solutions. Increased local developer capacity in Wilmington is the key to scaling development activity and revitalizing communities more rapidly. Residents of Wilmington communities are the best resource for neighborhood revitalization, as many have potential to effect positive change in their neighborhoods. Jumpstart Wilmington provides aspiring developers who live in Wilmington communities and people committed to revitalizing Wilmington with the skills, knowledge, and support they need to rehabilitation key properties, one at a time.

Program participants learn business planning and personal finance, development strategy, LLC ownership structures, the process of sourcing a property, doing due diligence, finding financing, and designing and procuring permits. They also learn about the construction process of selecting a contractor, developing a construction timeline, and how to lease, manage, or sell a property once complete.

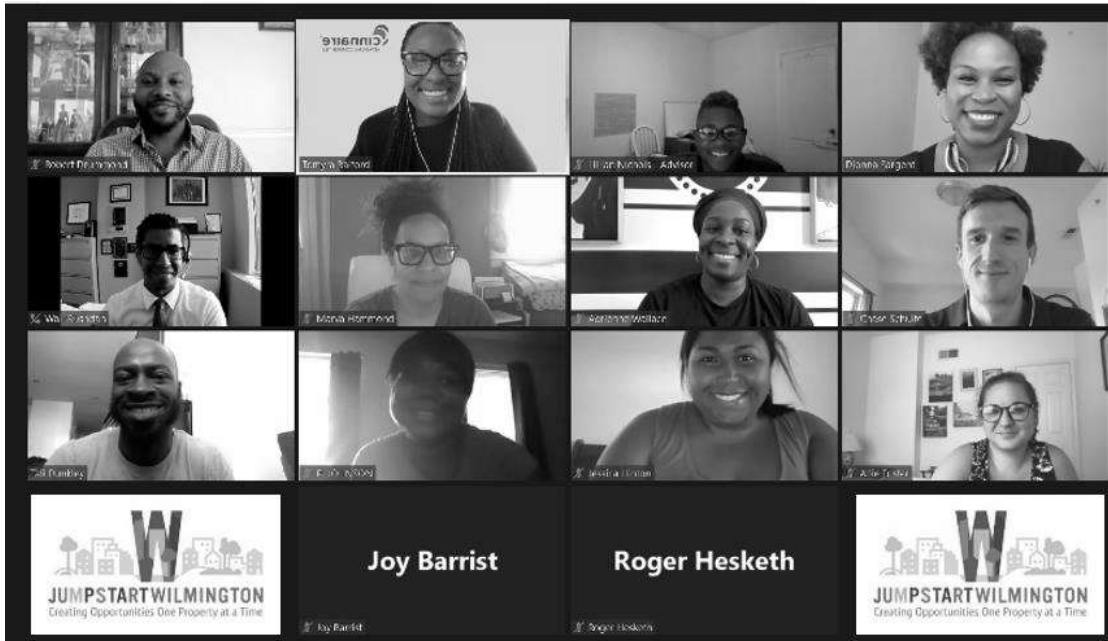
Upon completion of the training program, graduates are paired with an experienced developer who can provide one-on-one mentorship — advising them on deal structuring, property sourcing, and problem-solving strategies. In addition to the intensive training program, participants are invited to take part in ongoing complementary programming throughout the year. The program has more than 35 speakers that include for-profit and non-profit developers, realtors, attorneys, city and state department leads, lending institutions, financial coaches, and 15 mentees.



There are four cohorts slated for 2022, which are currently fully subscribed. Cinnaire continues to work with participants to identify ways to address barriers to development, and is also working to build out infrastructure, systems, and programs, that help to ensure Jumpstart Wilmington graduates' success. This includes the following:

- Jumpstart Wilmington Pilot Loan Program: Cinnaire launched a loan program to provide acquisition and/or construction financing to Jumpstart Wilmington graduates. Loan program information and a term sheet are available on the Jumpstart Wilmington website.
- Property Acquisition Pilot Program: The purpose is to provide Jumpstart Wilmington graduates with exclusive access to vacant properties or lots for acquisition, rehabilitation, and/or construction. Some of the Jumpstart Wilmington graduates have expressed acquiring properties as a barrier to starting a development property. With the significant amount of vacant and blighted inventory between the City of Wilmington, WNCLB, and Wilmington Housing Authority, Cinnaire is working with these three entities to partner on a program that will help create a pipeline of properties available for acquisition.
- Kickstart Sessions: Monthly Kickstart Sessions focus on specific development topics and are open to the broader development community.
- Developer Network Events: Designed to facilitate relationship-building and foster partnerships between Jumpstart Wilmington program participants and members of the development community.
- Cohort Networking Events: Designed to foster camaraderie amongst Jumpstart Wilmington graduates and encourage collaboration and strategically coordinated development opportunities.
- Wilmington Neighborhood Conservancy Land Bank Technical Advisory Board: The purpose of this board is to discuss land bank disposition and development strategies. Additionally, there is discussion about advocacy to eliminate cost prohibitive legislative and administrative policies that impede development. Attendees also share updates on their development projects throughout Wilmington which could be helpful in strategically coordinating with other development initiatives. Jumpstart Wilmington graduates have been invited to participate in these meetings, which also connects them with additional members of the development community.
- Monthly Roundtable: To create an opportunity for Jumpstart Wilmington program participants to network, discuss development related topics, share information including successes, challenges, and lessons learned. These roundtables are optional, and participants can choose to attend based on the topic.

Figure 3.3: Jumpstart Wilmington Session, 2021



Source: Cinnaire (2021)

## 4. Conclusion: Looking Back, Looking Ahead

The Collaborative was formed in 2020 at a time of great uncertainty and need. Success in its first year meant establishing how members were to work together within the Collaborative framework and initiating some early efforts reflective of its joint objectives in investing in the three focus neighborhoods. Building from that momentum, success in the second year as the Collaborative has meant further institutionalizing and exploiting the collaborative mechanism it has as the Collaborative and using that platform to support specific projects in the focus neighborhoods that draw from member strengths, deploy available assets, and address contemporary community concerns. Looking ahead, the third and final year of the grant will attempt to move the Collaborative to a place of sustained cooperation and investment, the former being a legacy structure that will continue to be used to facilitate shared efforts and the latter being targeted to projects that create meaningful progress in the focus neighborhoods.

Figure 4.1: The Financial World Association, Eastside Wilmington



*Source: NCALL Loan Fund (2020)*

### 4.1. Continued Progress

As outlined in Section 3 of this report, Equitable Wilmington Collaborative has made substantial progress toward its goals. In 2021, it greatly expanded its marketing and branding efforts and continued to meet with stakeholders in a virtual setting. Additionally, despite continued challenges of this year, Equitable Wilmington Collaborative has been able to (since the start of the program):

- Issue eight Capacity Building grants to local organizations and non-profits.
- Close on a total of nine small business and/or microloans loans to eight small businesses. Approximately \$569,000 of the more than \$2 million originated represents JPMorgan Chase

capital (representing nearly half of the \$1.2M committed for small business loans over the three-year period);

- Issue more than \$6.6 million in community facilities loans to six non-profit borrowers, to support investments with a combined total project cost of \$13.9 million.
- Further established and institutionalized key governance components of the Collaborative to help distinguish as its own distinct entity, including hiring a dedicated project manager, forming a community advisory council, and launching a Collaborative-specific marketing and branding campaign.

## 4.2. Key Takeaways from 2021

Equitable Wilmington Collaborative's first year, 2020, presented several unforeseen challenges, highlighting existing inequities and forcing Equitable Wilmington Collaborative and its partners to pivot and respond to evolving needs. Now in its second year, the Collaborative has been able to build on the foundations that it laid to continue to make progress.

### Marketing and Branding

Each of the three Collaborative members has a longstanding presence in Wilmington. While the Equitable Wilmington Collaborative launched two years ago and has its own logo and website, there are still times when the individual CDFIs sense that other organizations and clients do not fully understand the connection between the CDFIs and the Collaborative as a whole. While this has not negatively impacted the work that the Collaborative has been able to achieve, it is an ongoing area of focus, and the Collaborative continues to explore the ways in which it can adjust its marketing strategy to more clearly highlight how the Collaborative's work is part of the broader PRO Neighborhoods initiative.

To ensure a united vision for marketing and branding, the Collaborative has dedicated one to two staff members from each partner CDFI to participate in the Marketing Subcommittee, which ran from July through December. This subcommittee worked to align on issues of marketing and branding, troubleshoot any pitfalls of the Collaborative's brand, decide on a structure for promoting deals for the Collaborative, and develop a deeper understanding of roles of each partner. The group was led by Corinne Hyzny, Vice President of Strategic Communications for Cinnaire, who also manages the Collaborative's communications and website functions.

### Sustained Impact

These marketing and branding efforts were also part of a broader conversation around governance. The governance process began with interviews that Strategy Arts conducted to create an understanding about the Collaborative's strategic opportunities, successes, and challenges. A half day retreat in September 2021 allowed the Collaborative to formalize its decision-making processes and flesh out what sustainability of the Collaborative looks like after the PRO Neighborhood grant period ends. The Collaborative had three follow-up sessions with Strategy Arts to further refine the governance document, determine relevant decision-making and create final alignment on sustainability. The Collaborative now has a tool that can support potential ongoing work and goals of Equitable Wilmington beyond PRO.

While the length of the PRO Neighborhoods program allows for ongoing relationship building both among Collaborative members and with the small businesses, developers, and local organizations that receive loans, grants, technical assistance, and trainings, there are occasions where the Collaborative recognizes that certain activities will take longer to develop. For example, a small business client receiving technical assistance might later be a good candidate for loans. Even if that client will not be in a place to apply for a loan through the Equitable Wilmington Collaborative while the PRO Neighborhoods program is active, it is still worthwhile to begin with technical assistance. This can be done with the understanding that the relationships and connections being developed now will be valuable to maintain into the future, and that this is an important part of the Collaborative members' continued commitment to the communities in which they are working. The governance document is an essential part of carrying this work forward.

### Different Focus Areas Toward a Common Goal

The three CDFIs that make up the Equitable Wilmington Collaborative each have their own areas of focus (although they do overlap and have been able to work together on individual deals) when operating under the Equitable Wilmington Collaborative structure. Under this structure, Cinnaire supports primarily in neighborhood revitalization and housing development and technical assistance, NCALL Loan Fund supports community-based facilities, and True Access Capital supports small business lending and related technical assistance. As previously mentioned, Collaborative members meet at least monthly, and use these gathering sessions as an opportunity to identify partnering on financing development projects through loan participations.

Members have found that this structure has worked well for the Equitable Wilmington Collaborative while recognizing that this is not necessarily how other collaboratives are organized. This approach allows each member organization to make progress within their priority areas. It also facilitates a referral process wherein someone might reach out to one member CDFI and be connected with another, depending on the type of assistance they are seeking.

Benefitting from a year of hindsight, Year 1 of the Collaborative was a success, and in turn, laid a strong foundation for Year 2 to be similarly impactful. Despite an unprecedented pandemic and all of the business pain and logistical restrictions that came with it, Collaborative members were able to develop a shared infrastructure from which to connect, convert common objectives into successful projects, and integrate goal-setting and reporting requirements. Year 2 has further solidified the use of the Collaborative mechanism to encourage additional cooperation, both among Collaborative members as well as to other community-serving non-profit organizations, and signified progress in the geographic areas, program objectives, and development projects that the Collaborative is focused on. Looking ahead, Year 3 promises to continue this positive momentum, yielding meaningful change for which the end-of-year white paper will attempt to elevate the resulting before versus after differences.

### 4.3. Revisiting the Takeaways from 2020

The following key takeaways were presented in the first white paper, in greater detail. They continue to ring true to the Collaborative's experience, now finishing its second year.

#### Open Lines of Communication

The formalization offered through the Equitable Wilmington Collaborative has facilitated monthly Collaborative meetings that are central to the work that the three CDFIs are doing. These meetings continue to provide a regular venue for members to share with one-another and have been a particularly important point of connection in the context of the COVID-19 pandemic, which has continued to disrupt some of the more typical ways of operating (while providing new ways to meet in virtual settings)

Similarly, the Community Advisory Committee brings in additional perspectives, providing a direct line of communication with the groups that the Collaborative is working with, along with other key stakeholders in Wilmington. Even though many individuals and organizations within it have pre-existing and strong relationships with one another and with the Collaborative's member CDFIs, the Committee's structure facilitates regular feedback, which is particularly important at a time when fewer in-person meetings mean fewer opportunities for informal conversations and information-sharing.

#### Coordinated Resources

In addition to the metrics that are formally collected as part of the process, this program has made it possible for Collaborative members to hire additional staff, dedicate additional resources, and undertake research that would not otherwise have been possible.

Part of the success of the coordination is the support of a project specialist who is based in Cinnare and dedicates a portion of their time to project management, facilitating the monthly meetings and supporting the Collaborative in communicating about pipeline projects and ensuring key functions of their work together are carried out successfully.

One take away from 2020 related to the value of tracking referrals between member organizations to identify any potential roadblocks and make it easier to follow up on potential projects. This continued to be an area of growth in 2021, and one that will continue through to the end of the program and beyond. Information sharing has an increasingly outsized positive impact on neighborhoods of focus, as mutual communication produces mutual resource allocation to the benefit of the households and communities being served.

#### An Integrated and Flexible Approach to Support

An important lesson from 2020 was that businesses, developers, and community organizations have a complex set of needs that are closely entwined with factors outside of their direct control. This has continued as we reached a "new normal" in 2021, in which flexibility has continued to play a central role.

One manifestation of this is through flexible loan terms, conferred within a relationship between lender and recipient. When overall objectives are aligned, it is more possible for recipients to parlay capital access to improved financial conditions, which in turn, is a win for the participating lenders.

Furthermore, it is important for clients to be connected to other forms of assistance, in the form of grant opportunities, technical assistance, and other capital sources. An integrated approach to lending and other services has facilitated a shift in thinking about loans from this program as being free-standing, and instead trying to shoehorn into other initiatives and combining with other loans, thereby increasing complexity for financing amounts, terms, timeframe for closing and reporting.

#### 4.4. Looking Forward to 2022

Over the next year, the Equitable Wilmington Collaborative will continue to plan technical assistance workshops that will be meaningful and beneficial to their audience and will continue to coordinate and identify opportunities for the CDFI partners to participate in loans together. One aspect of this is to identify data and technology tools to better evaluate opportunities and enhance the planning and decision-making process.

There is continued demand for risky financing as costs for projects have increased and COVID uncertainty continues. NCALL Loan Fund will continue to work with high- and low-capacity organizations to create commercial projects and community facilities in the three focus neighborhoods in Wilmington. True Access Capital expects to lend the balance of the \$1,200,000 PRO Neighborhoods funds committed for the project in 2022. There are currently four loans in the pipeline that may be allocated this funding when closed, two of which include participation between True Access Capital and NCALL Loan Fund. A new Jumpstart Wilmington cohort will support additional trainees, beyond the more than sixty people who have already participated in the program. As a result of increased communication with the Collaborative partners, all three CDFIs expect additional participation opportunities beyond the three-year timeline of the program.

#### 4.5. Final Thoughts

The Equitable Wilmington Collaborative's conception and launch could not possibly have anticipated the severity and length of the damage borne by the local small business community caused by the ongoing pandemic. A dramatic decline in market demand and in the ability of shoppers and employees alike to move about has had devastating consequences on small business owners and on commercial corridors throughout the city, at a magnitude that cannot be exaggerated or fully grasped.

What Collaborative members did know and commit to from the outset was the need for a sustained, integrated, and smart response to existing challenges facing many small businesses, particularly in the neighborhoods targeted by the Collaborative. These challenges have been significantly amplified by the present public health crisis but were many more years in the making. Ongoing economic inequities and systemic racism have combined with the painful effects of broader macro-economic trends of suburbanization, globalization, and automation to create profound difficulties for small business communities and commercial corridors nationwide, such as the ones in Wilmington's target neighborhoods.

The Collaborative's strategic aspirations to focus resources and attention on certain efforts in certain neighborhoods, and to do so in a sustained and integrated manner, are now two years into execution. They have come at a time when the administrative infrastructure, organizational will, and

dedicated resources have become increasingly necessary in light of the disruption caused by the ongoing pandemic. Said another way, it is uncomfortable to consider how the city – City government, CDFIs, and neighborhood groups – would have responded to all of the fallout absent the funding and coordinated effort made possible by the PRO Neighborhoods grant.

As the Collaborative enters its third year, it is clear that the focused and coordinated work it does remains critical to the wellbeing of the city as a whole, and there is much success from the first two years upon which it can build, to continue to work with small businesses in the target neighborhoods to survive and thrive.



## 5. Appendices

### Appendix A: Demographic Background Information

#### Overview

This appendix provides information on the composition of households within Equitable Wilmington Collaborative's focus neighborhoods in terms of race/ethnicity, income level, and homeownership status. The demographic data is scoped to track key metrics throughout the three-year investment to speak to the neighborhood-level change in response to Equitable Wilmington initiatives. ESI used the boundary definitions described in Section 1 of this report to analyze demographic indicators at the census tract level, using data from the U.S. Census 5-Year American Community Survey (2015-2019). These indicators were also mapped using ESRI ArcMap to understand the spatial distribution of demographic and economic trends in the focus areas.

#### Citywide Demographic Indicators

The three neighborhoods of focus encompass 11 census tracts around Wilmington with more than 41 percent of Wilmington's 70,000-person total population. In 2019, the median household income in Wilmington was nearly \$45,000, significantly higher than the median household income for any of the three focus neighborhoods. Similarly, the share of the population in poverty is lower in Wilmington, 26 percent, than any of the three neighborhoods. The unemployment rate in Wilmington is 8.4 percent, slightly higher than the unemployment rate in the Westside/West Center City but lower than that of the Eastside or the Northeast. In Wilmington, the percent of owner-occupied housing is 43.35 percent, similar to that of the Northeast but significantly higher than that of the Westside or Eastside neighborhoods. Median home values correlate with median incomes and are higher in Wilmington as a whole, at over \$168,000, than any of the focus neighborhoods. Wilmington is a predominantly Black, with 63 percent of the total population identifying as Black or African American, 32 percent identifying as white, and 1 percent identifying as Asian. Wilmington's Latino and foreign-born populations encompass 10 and 6 of the total population respectively.

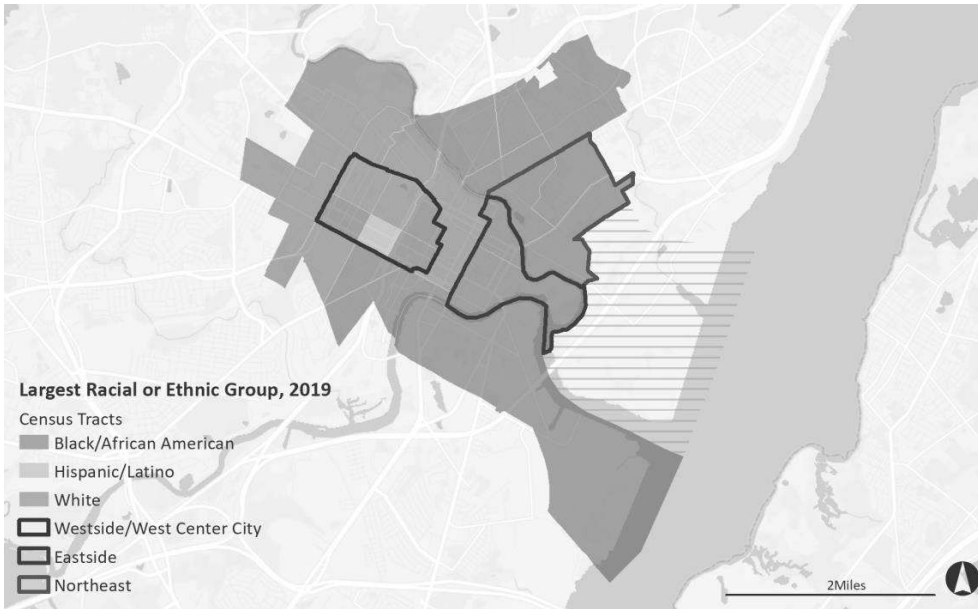
Figure A.1 – Demographics, City of Wilmington and Focus Areas, 2015 and 2019<sup>9</sup>

Measure	2019				Change Since 2015			
	Wilmington	West Side	East Side	Northeast	Wilmington	West Side	East Side	Northeast
Total Population	70,644	13,416	6,171	9,634	-1.3%	-8.9%	+11.5%	+0.1%
Area (mi <sup>2</sup> )	11.967221	0.820852	0.717943	1.022473	-29.0%	+0.5%	0.0%	-0.1%
Population Density (people/mi <sup>2</sup> )	5,903	16,344	8,595	9,422	39.2%	-9.4%	11.5%	+0.2%
Number of Households	28,806	5,400	2,365	2,849	-0.3%	-2.9%	3.5%	-3.4%
Median Household Income	\$45,032	\$37,266	\$20,697	\$30,755	11.3%	2.8%	10.9%	-5.0%
Percent of Population in Poverty	26.04%	29.45%	39.29%	36.74%	+1.51pp	+1.15pp	-7.62pp	6.76pp
Civilian Unemployment Rate	8.37%	8.08%	17.15%	12.25%	-2.48pp	-2.73pp	-13.10pp	-2.93pp
Percent Owner-Occupied (homeownership)	43.35%	33.76%	21.86%	38.47%	-2.80pp	-1.00pp	-0.23pp	-9.55pp
Percent Renter-Occupied	56.65%	66.24%	78.14%	61.53%	+2.80pp	+1.00pp	+0.23pp	+9.55pp
Median Home Value	\$168,000	\$142,750	\$109,500	\$102,333	+0.30%	-5.14%	+9.01%	-2.20%
White	32.48%	31.34%	4.25%	8.17%	-0.5pp	3.9pp	+1.4pp	-3.2pp
Black	63.95%	64.13%	93.78%	89.80%	+0.8pp	-3.2pp	-1.4pp	+4.3pp
Asian	1.32%	1.47%	0.25%	0.66%	-16.6pp	-14.8pp	-1.4pp	-17.9pp
Latino	10.19%	22.06%	3.13%	4.32%	-3.0pp	-0.9pp	-3.2pp	0.0pp
Foreign-Born Population	5.95%	9.47%	3.55%	2.67%	-0.6pp	-1.3pp	-0.8pp	+1.2pp

American Community Survey (2015-2019)

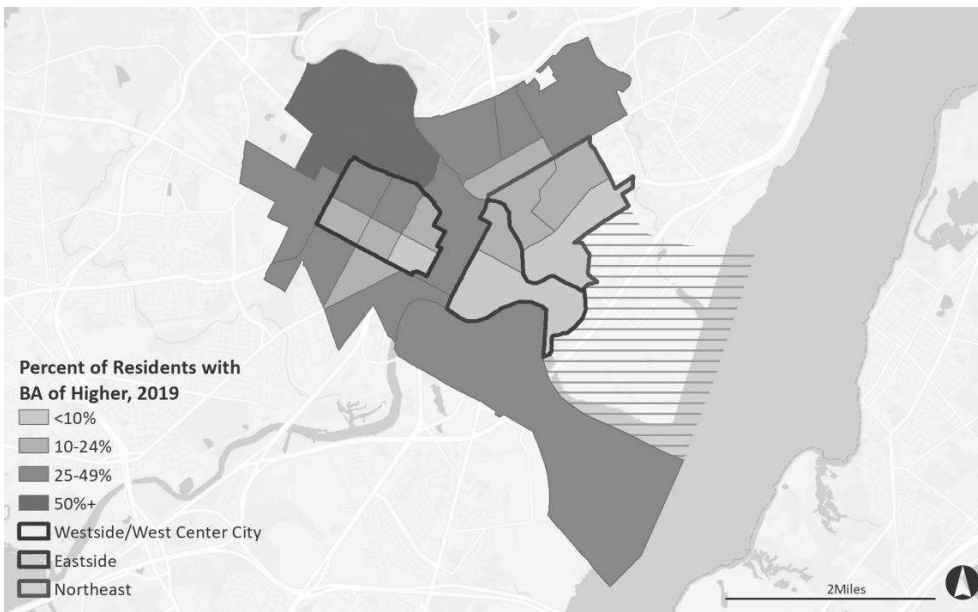
<sup>9</sup> Note that the racial categories represent race by ethnicity. Black, for example, represents Non-Hispanic Black. As such, all categories add up to 100 percent.

Figure A.2 - Largest Racial or Ethnic Group, City of Wilmington and Focus Neighborhoods



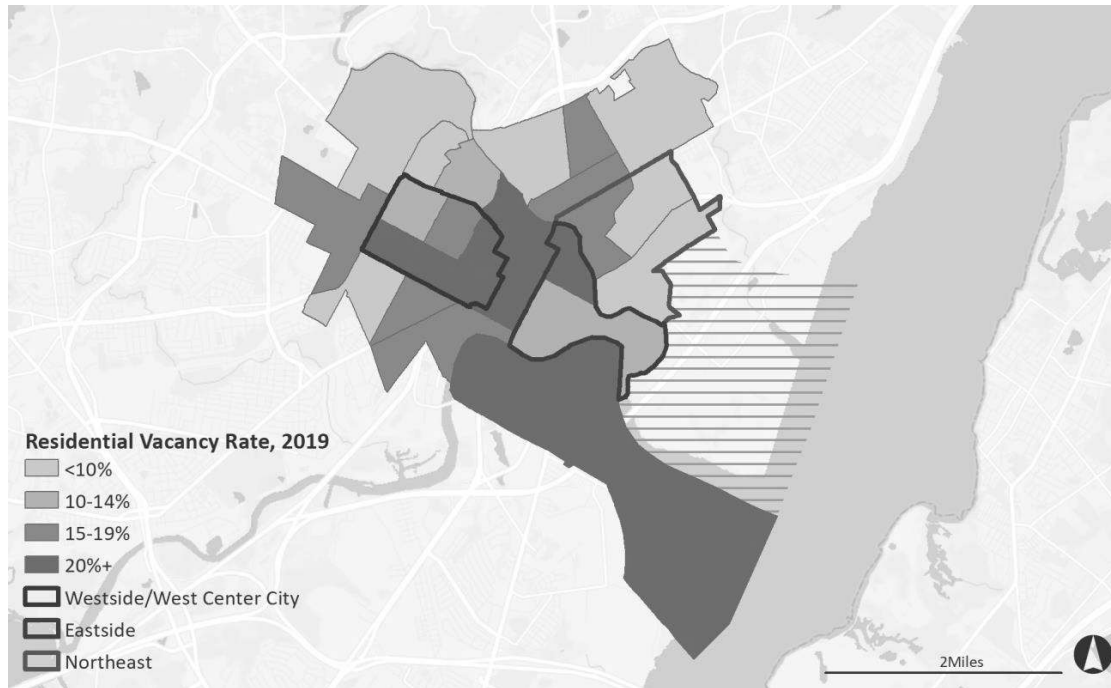
Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

Figure A.5 – Share of Residents with Bachelor’s Degree or Higher, City of Wilmington and Focus Neighborhoods



Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

Figure A.4 – Vacant Housing Units, City of Wilmington and Focus Neighborhoods



Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

### Neighborhood Focus: Westside/West Center City

Westside/West Center City is the largest and most affluent of the three focus neighborhoods, with an estimated total population of 13,400 and 5,400 households in 2019. The median household income is nearly \$38,000 and the percent of the population in poverty is 29.5 percent, making Westside/West Center City the focus neighborhood with the highest income and lowest poverty rate. Although the median income is the highest, Westside/West Center City does not have the highest percentage of owner-occupied housing of the three neighborhoods. The owner-occupancy rate of 33 percent is potentially influenced by the fact that median home values are significantly higher in Westside/West Center City, at \$142,750, than the other focus neighborhoods. The neighborhood's racial composition is similar to that of Wilmington as a whole, and it has the highest Latino and foreign-born populations of the three focus neighborhoods, at 22 and 9.5 percent respectively.

### Neighborhood Focus: Eastside

The Eastside has the smallest population and is the most poverty-stricken of the focus neighborhoods with a total population of 6,100 (about 2,300 households). The median household income in the neighborhood is less than half of the median income of Wilmington, at nearly \$21,000, and 39.3 percent of its population lives in poverty. The Eastside has the highest unemployment rate of the

neighborhoods, at nearly 17.2 percent. Low median incomes and high unemployment result in low owner-occupancy rates at 21.9 percent. The median home value of \$109,500 is slightly higher than that of the Northeast but significantly lower than that of Wilmington as a whole. More than 90 percent of Eastside residents are Black, compared to 4.3 percent of residents who are white. The neighborhood's Latino and foreign-born populations (of any race) encompass 3.1 and 3.5 percent of the total population respectively.

## Neighborhood Focus: Northeast

The demographic composition of the Northeast is similar to that of the Eastside. The neighborhood's total population is over 9,600 residents (2,800 households), 89.8 percent of whom are Black. The median household income is \$30,700, 36.7 percent of households live in poverty, and the unemployment rate is 12.3 percent. Despite its poor economic conditions, the Northeast has the highest owner-occupancy rate of focus neighborhoods, at 38.47 percent. This can be explained by the low median home value, \$102,300, which makes it more feasible for residents to purchase their houses.

## Summary of Demographic Indicators

The demographic overview of the neighborhoods of focus for the Equitable Wilmington Initiative underscores substantial economic inequity and the need for equitable revitalization in the three neighborhoods. The Westside/West Center City, Eastside, and the Northeast neighborhoods all are varied communities with their own distinct identities. Westside/West Center City is the most affluent, and Eastside experiences the highest levels of poverty of the focus neighborhoods. Three neighborhoods are predominantly Black, with a high Latino population in the Westside/West Center City area. These data points are an important base of information from which to assess the current needs of residents as well as potential priorities for the collaborative members.

## Appendix B: Economic Background Information

### Overview

The economic analysis establishes the baseline market conditions and overall economic health of Equitable Wilmington's three focus neighborhoods, East Side, West Side, and the Northeast. This section provides information on residential and geographic workforce composition, retail supply, and retail demand. The economic indicators serve to document the change in neighborhood-level market conditions resulting from small business and community development interventions provided by the Equitable Wilmington collaborative. Using the aforementioned boundary definitions, ESI analyzed economic indicators from ESRI Business Analyst and U.S. Census Bureau, Center for Economic Studies. ESRI ArcMap was used to understand the spatial distribution of economic trends.

### Citywide Economic Indicators

Residents of Wilmington work in a wide range of industries and sectors. Over 20 percent of Wilmington residents work in health care and social assistance, followed by retail trade at 10.3 percent, and finance and insurance at 9.4 percent. From 2010 to 2019, jobs held by residents shifted increasingly into the retail, arts, entertainment, and recreation, and accommodation and food services sectors, and away from finance and insurance, information, professional services (see Figure B.1).

The landscape of industries for workers in Wilmington varies significantly from the landscape of industries for residents of Wilmington. Wilmington is the largest city in Delaware, the incorporation capital of the United States. Therefore, the job sectors in Wilmington represent positions created by large companies headquartered in the city. The most prominent industry in Wilmington in terms of jobs is finance and insurance, representing 22.9 percent of total jobs, followed by professional, scientific and technical services at 15.2 percent. The most popular field for residents of Wilmington (as described above), health care and social assistance, is the third most common industry in the city (see Figure B.2).

While the top job industries for residents generally are the same in the three focus neighborhoods compared to the city as a whole, the actual jobs located within these neighborhoods differ greatly, reflecting the localized neighborhood dynamics (see Figures B1 and B.2).

While both the overall number of jobs and the number of employed residents has grown in Wilmington as a whole and in each of the four neighborhoods, jobs in Westside/West Center City experienced particularly strong growth from 2010 to 2019, with jobs more than doubling. This was driven both growth in finance and insurance and health care and social assistance, in particular.

Figure B.1 - Resident Jobs by Industry, City of Wilmington and Focus Neighborhoods<sup>10</sup>

Industry	Wilmington		Westside/West Center City		East		Northeast	
	2010	2019	2010	2019	2010	2019	2010	2019
Agriculture, Forestry, Fishing and Hunting	0.6%	0.3%	1.0%	0.4%	0.2%	0.3%	0.4%	0.3%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	0.4%	0.4%	0.3%	0.4%	0.4%	0.3%	0.3%	0.2%
Construction	2.8%	3.0%	3.1%	3.2%	1.9%	1.7%	2.1%	2.9%
Manufacturing	3.7%	3.2%	3.6%	3.1%	3.4%	2.6%	3.9%	2.9%
Wholesale Trade	2.6%	2.1%	2.5%	2.4%	2.3%	1.9%	2.8%	2.1%
Retail Trade	9.4%	10.3%	10.6%	11.2%	11.9%	11.1%	11.0%	11.7%
Transportation and Warehousing	3.5%	5.1%	3.6%	4.7%	5.4%	7.1%	4.5%	7.8%
Information	1.9%	1.2%	1.8%	1.3%	1.8%	1.3%	2.2%	1.1%
Finance and Insurance	10.7%	9.4%	9.1%	7.7%	8.2%	5.8%	8.7%	6.6%
Real Estate and Rental and Leasing	1.4%	1.2%	1.8%	1.3%	1.0%	1.1%	1.4%	0.8%
Professional, Scientific, and Technical Services	6.6%	6.1%	5.7%	5.1%	3.6%	3.8%	4.4%	3.9%
Management of Companies and Enterprises	2.5%	1.8%	2.2%	1.4%	0.8%	1.0%	1.4%	0.9%
Administration & Support, Waste Management and Remediation	7.2%	9.1%	8.1%	10.7%	8.5%	11.9%	7.6%	9.5%
Educational Services	7.4%	7.8%	6.7%	7.1%	7.1%	6.3%	6.9%	7.0%
Health Care and Social Assistance	20.8%	21.1%	21.0%	20.9%	25.6%	27.7%	24.4%	25.0%
Arts, Entertainment, and Recreation	1.6%	2.3%	1.8%	2.5%	1.2%	2.2%	1.4%	2.1%
Accommodation and Food Services	7.4%	8.3%	8.6%	10.2%	6.5%	8.0%	7.5%	8.8%
Other Services (excluding Public Administration)	3.7%	2.6%	3.8%	2.8%	3.5%	2.0%	3.1%	2.9%
Public Administration	5.9%	4.7%	4.6%	3.4%	6.7%	3.8%	5.9%	3.6%
<b>Total</b>	<b>30,064</b>	<b>33,186</b>	<b>5,708</b>	<b>6,449</b>	<b>2,085</b>	<b>2,395</b>	<b>2,977</b>	<b>3,552</b>

Source: Longitudinal Employer-Household Dynamics (2019)

<sup>10</sup> All jobs, with particular areas of strength and weakness highlighted in green or orange, respectively (for 2019, relative to the city as a whole).

Figure B.2 - Worker Jobs by Industry, City of Wilmington and Focus Neighborhoods<sup>11</sup>

Industry	Wilmington		Westside/West Center City		East		Northeast	
	2010	2019	2010	2019	2010	2019	2010	2019
	Agriculture, Forestry, Fishing and Hunting	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	1.4%	1.3%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%
Construction	2.6%	3.8%	1.7%	0.4%	11.9%	8.2%	9.0%	23.2%
Manufacturing	2.1%	1.6%	1.2%	0.4%	11.9%	7.3%	12.3%	14.4%
Wholesale Trade	1.7%	1.0%	1.4%	0.9%	1.6%	2.8%	8.0%	4.5%
Retail Trade	3.9%	3.9%	12.3%	6.2%	1.8%	2.7%	8.8%	8.2%
Transportation and Warehousing	3.2%	3.1%	0.3%	0.1%	0.7%	2.0%	4.7%	3.8%
Information	1.1%	0.9%	0.7%	0.6%	1.7%	2.0%	0.2%	0.0%
Finance and Insurance	19.5%	22.9%	27.4%	31.3%	1.1%	0.4%	0.3%	0.6%
Real Estate and Rental and Leasing	1.5%	1.5%	2.0%	0.8%	5.5%	3.3%	2.7%	2.3%
Professional, Scientific, and Technical Services	15.5%	15.2%	9.7%	9.8%	7.6%	10.5%	0.4%	1.4%
Management of Companies and Enterprises	5.1%	3.3%	0.6%	0.1%	0.4%	5.4%	0.1%	0.0%
Administration & Support, Waste Management and Remediation	4.7%	4.6%	1.8%	0.3%	3.3%	3.6%	4.9%	9.3%
Educational Services	7.4%	7.7%	0.3%	4.6%	22.9%	14.1%	12.9%	8.2%
Health Care and Social Assistance	12.0%	13.5%	23.2%	36.1%	22.4%	30.8%	19.9%	20.6%
Arts, Entertainment, and Recreation	1.8%	1.6%	0.1%	0.1%	0.0%	0.2%	0.0%	0.0%
Accommodation and Food Services	4.7%	4.2%	11.1%	6.7%	1.4%	0.2%	0.3%	0.1%
Other Services (excluding Public Administration)	3.8%	2.5%	5.8%	1.6%	5.6%	3.9%	15.3%	3.6%
Public Administration	7.8%	7.4%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%
<b>Total</b>	<b>51,690</b>	<b>52,447</b>	<b>3,482</b>	<b>7,048</b>	<b>2,024</b>	<b>3,038</b>	<b>1,564</b>	<b>1,997</b>

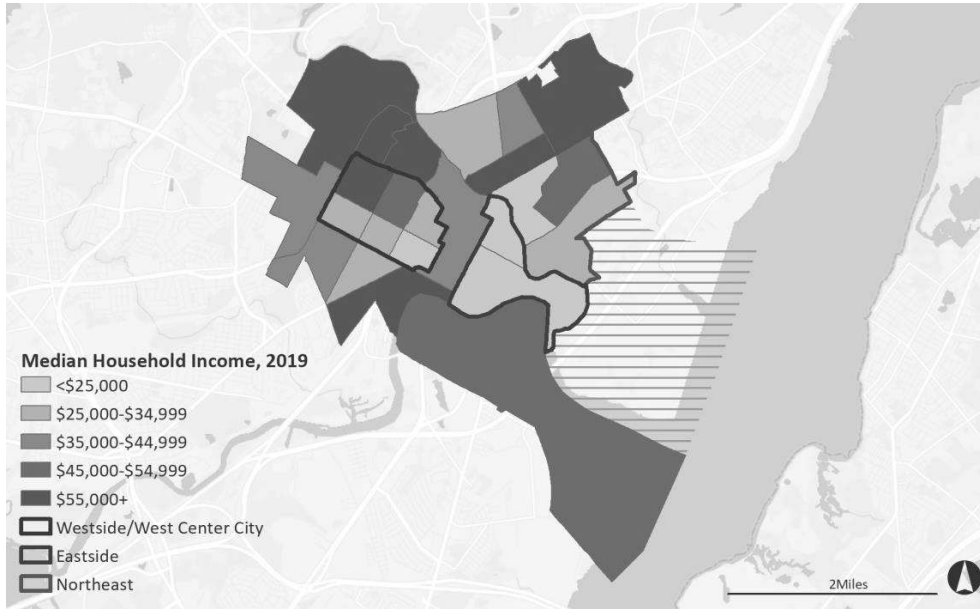
Source: Longitudinal Employer-Household Dynamics (2019)

<sup>11</sup> All jobs, with particular areas of strength and weakness highlighted in green or orange, respectively (for 2019, relative to the city as a whole).



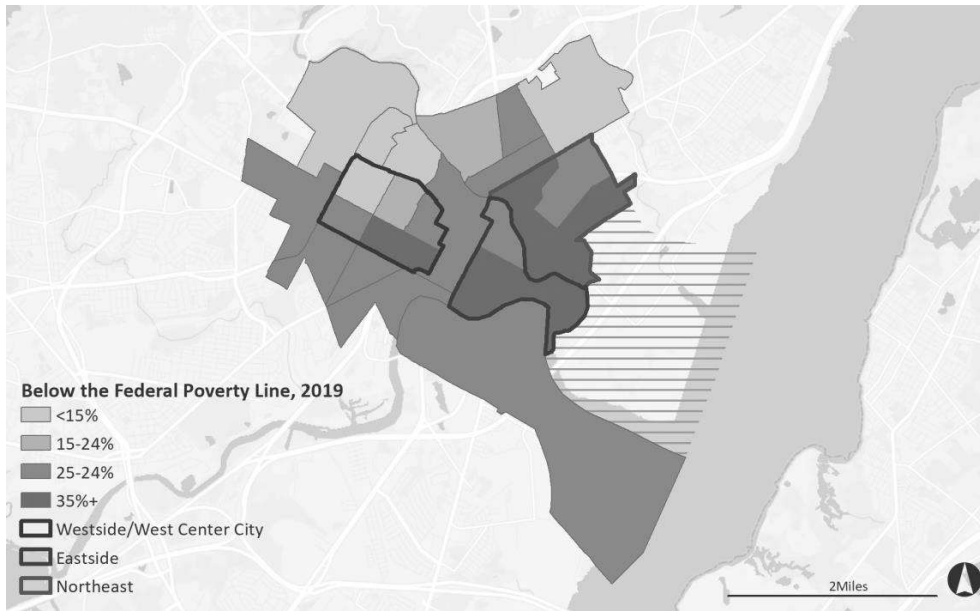
As described in Appendix A, the three focus neighborhoods experience poverty at a higher rate than Wilmington as a whole. Poverty, income, unemployment, and jobs are of course all closely interconnected. Figures B.3, B.4, and B5 illustrate this dynamic.

Figure B.3 – Median Household Income, City of Wilmington and Focus Neighborhoods



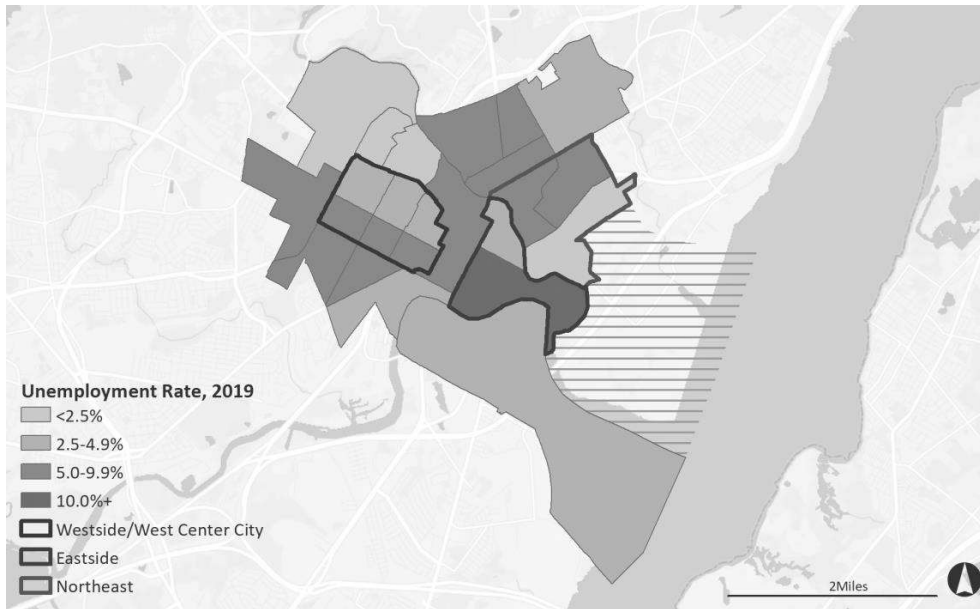
Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

Figure B.4 – Poverty, City of Wilmington and Focus Neighborhoods



Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

Figure B.5 – Unemployment, City of Wilmington and Focus Neighborhoods



Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

ESRI Retail Marketplace data provides comparisons of retail sales and consumer spending by industry to measure leakage and surplus of resident spending. Communities with retail leakage have a larger buying potential than what is being supplied in the area. Communities with retail surplus have more retail sales than what residents in that area are able to support. Instances where retail potential exceeds sales represent a potential market for retail in the area.

An evaluation of the surplus/leakage dynamics for the city of Wilmington suggests that general merchandise stores, building materials, garden equipment and supply (home improvement) stores, and sporting goods, hobby, music and book (hobby) stores appear to be enterable markets, as denoted by the positive leakage factor and retail gap. There is a \$97.5 million undersupply of general merchandise stores, \$35.7 million undersupply of home improvement stores, and a \$19.1 million undersupply of hobby stores within the city bounds. The positive leakage represents a condition where the market's supply is less than the demand, implying that new businesses could fill the gap. Motor vehicle and parts dealers have the largest surplus factor of any industry in Wilmington with over \$218 million in market surplus. The ESRI Business Analyst retail trends data remains the same as what was reported in the first white paper, as the dataset has not been updated by ESRI.

Figure B.6 – Retail Supply and Demand Detail, City of Wilmington

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Surplus Factor	Leakage/	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$161,756,821	\$379,772,620	(\$218,015,799)	(40.3)	(40.3)	51
Automobile Dealers	4411	\$138,339,158	\$359,357,158	(\$221,018,000)	(44.4)	(44.4)	34
Other Motor Vehicle Dealers	4412	\$13,258,545	\$3,026,230	\$10,232,315	62.8	62.8	4
Auto Parts, Accessories & Tire Stores	4413	\$10,159,118	\$17,389,232	(\$7,230,114)	(26.2)	(26.2)	13
Furniture & Home Furnishings Stores	442	\$29,105,047	\$10,298,264	\$18,806,783	47.7	47.7	8
Furniture Stores	4421	\$16,048,918	\$1,928,369	\$14,120,549	78.5	78.5	2
Home Furnishings Stores	4422	\$13,056,129	\$8,369,895	\$4,686,234	21.9	21.9	6
Electronics & Appliance Stores	443	\$22,563,712	\$19,288,441	\$3,275,271	7.8	7.8	16
Bldg Materials, Garden Equip. & Supply Stores	444	\$48,706,847	\$12,975,524	\$35,731,323	57.9	57.9	12
Bldg Material & Supplies Dealers	4441	\$45,660,423	\$10,920,343	\$34,740,080	61.4	61.4	9
Lawn & Garden Equip & Supply Stores	4442	\$3,046,424	\$2,055,181	\$991,243	19.4	19.4	3
Food & Beverage Stores	445	\$136,044,409	\$163,302,437	(\$27,258,028)	(9.1)	(9.1)	105
Grocery Stores	4451	\$112,626,607	\$118,254,937	(\$5,628,330)	(2.4)	(2.4)	58
Specialty Food Stores	4452	\$9,018,542	\$4,578,865	\$4,439,677	32.7	32.7	9
Beer, Wine & Liquor Stores	4453	\$14,399,260	\$40,468,635	(\$26,069,375)	(47.5)	(47.5)	38
Health & Personal Care Stores	446, 4461	\$55,006,300	\$42,021,838	\$12,984,462	13.4	13.4	28
Gasoline Stations	447, 4471	\$79,657,778	\$59,276,281	\$20,381,497	14.7	14.7	16
Clothing & Clothing Accessories Stores	448	\$48,373,333	\$22,159,875	\$26,213,458	37.2	37.2	32
Clothing Stores	4481	\$34,045,926	\$14,635,911	\$19,410,015	39.9	39.9	19
Shoe Stores	4482	\$6,774,867	\$2,273,482	\$4,501,385	49.7	49.7	2
Jewelry, Luggage & Leather Goods Stores	4483	\$7,552,540	\$5,250,482	\$2,302,058	18.0	18.0	11
Sporting Goods, Hobby, Book & Music Stores	451	\$27,015,903	\$7,962,068	\$19,053,835	54.5	54.5	15
Sporting Goods/Hobby/Musical Instr Stores	4511	\$23,126,093	\$6,641,065	\$16,485,028	55.4	55.4	10
Book, Periodical & Music Stores	4512	\$3,889,810	\$1,321,003	\$2,568,807	49.3	49.3	5
General Merchandise Stores	452	\$127,146,644	\$29,609,801	\$97,536,843	62.2	62.2	20
Department Stores Excluding Leased Depts.	4521	\$88,996,481	\$5,809,818	\$83,186,663	87.7	87.7	4
Other General Merchandise Stores	4529	\$38,150,163	\$23,799,983	\$14,350,180	23.2	23.2	16
Miscellaneous Store Retailers	453	\$37,283,836	\$40,599,232	(\$3,315,396)	(4.3)	(4.3)	60

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Leakage/ Surplus Factor	Number of Businesses
Florists	4531	\$1,285,627	\$4,490,583	(\$3,204,956)	(55.5)	8
Office Supplies, Stationery & Gift Stores	4532	\$8,511,009	\$16,719,862	(\$8,208,853)	(32.5)	13
Used Merchandise Stores	4533	\$4,222,567	\$3,479,692	\$742,875	9.6	7
Other Miscellaneous Store Retailers	4539	\$23,264,633	\$15,909,095	\$7,355,538	18.8	32
Nonstore Retailers	454	\$10,011,442	\$11,963,010	(\$1,951,568)	(8.9)	9
Electronic Shopping & Mail-Order Houses	4541	\$5,399,511	\$10,923,202	(\$5,523,691)	(33.8)	7
Vending Machine Operators	4542	\$1,186,732	\$0	\$1,186,732	100.0	0
Direct Selling Establishments	4543	\$3,425,199	\$1,039,808	\$2,385,391	53.4	2
Food Services & Drinking Places	722	\$83,742,201	\$140,977,146	(\$57,234,945)	(25.5)	226
Special Food Services	7223	\$500,009	\$3,084,524	(\$2,584,515)	(72.1)	7
Drinking Places - Alcoholic Beverages	7224	\$1,265,073	\$4,634,296	(\$3,369,223)	(57.1)	11
Restaurants/Other Eating Places	7225	\$81,977,119	\$133,258,326	(\$51,281,207)	(23.8)	208

Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2022)

Figure B.7 – Leakage Surplus Factor by Subsector, City of Wilmington



Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2022)

### Neighborhood Focus: Westside/West Center City

One in five residents of Westside/West Center City are employed in health care and social assistance, in line with the citywide average. Other popular resident job sectors in the neighborhood are industries with low barriers to entry (in terms of formal education or experience), such as retail trade, administration and support, waste management and remediation, and accommodation and food services. In terms of jobs located within this neighborhood, Westside/West Center City is the largest hub for health care and social assistance positions across both Wilmington and the focus neighborhoods, with 36.1 percent of total jobs belonging to this field. Finance and insurance is another area of strength in terms of jobs for this neighborhood, with 31.3 percent of all jobs in the area falling into this industry. Many of the people who hold these positions are commuting in from elsewhere.

Similar to the surplus/leakage dynamics for the city of Wilmington, Westside/West Center City has a large buying potential for home improvement stores, hobby stores, as well as a surplus for motor vehicle and parts dealers. Other enterable markets in the area include electronics and appliance stores and clothing and clothing accessories stores. Home improvement stores and electronics stores have no retail supply in the Westside/West Center City neighborhood. The largest retail leakage in dollars is in general merchandise stores, totaling over \$11 million, followed by clothing stores at \$6.6 million and home improvement stores at \$6.2 million.

Figure B.8 – Retail Supply and Demand Detail, West Side

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Leakage/ Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$23,345,398	\$171,975,092	(\$148,629,694)	(76.1)	9
Automobile Dealers	4411	\$19,997,886	\$169,590,823	(\$149,592,937)	(78.9)	6
Other Motor Vehicle Dealers	4412	\$1,868,493	\$0	\$1,868,493	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$1,479,019	\$2,384,269	(\$905,250)	(23.4)	3
Furniture & Home Furnishings Stores	442	\$4,157,377	\$1,300,782	\$2,856,595	52.3	1
Furniture Stores	4421	\$2,322,988	\$0	\$2,322,988	100.0	0
Home Furnishings Stores	4422	\$1,834,389	\$1,300,782	\$533,607	17.0	1
Electronics & Appliance Stores	443	\$3,274,562	\$0	\$3,274,562	100.0	0
Bldg Materials, Garden Equip. & Supply Stores	444	\$6,588,127	\$0	\$6,588,127	100.0	0
Bldg Material & Supplies Dealers	4441	\$6,181,191	\$0	\$6,181,191	100.0	0
Lawn & Garden Equip & Supply Stores	4442	\$406,936	\$0	\$406,936	100.0	0
Food & Beverage Stores	445	\$20,336,897	\$31,729,328	(\$11,392,431)	(21.9)	23
Grocery Stores	4451	\$16,922,850	\$25,700,709	(\$8,777,859)	(20.6)	15
Specialty Food Stores	4452	\$1,355,773	\$1,552,180	(\$196,407)	(6.8)	2
Beer, Wine & Liquor Stores	4453	\$2,058,274	\$4,476,439	(\$2,418,165)	(37.0)	6
Health & Personal Care Stores	446, 4461	\$8,076,621	\$5,026,098	\$3,050,523	23.3	2
Gasoline Stations	447, 4471	\$11,824,873	\$8,875,908	\$2,948,965	14.2	4
Clothing & Clothing Accessories Stores	448	\$7,046,398	\$448,969	\$6,597,429	88.0	2
Clothing Stores	4481	\$4,992,838	\$448,969	\$4,543,869	83.5	2
Shoe Stores	4482	\$998,428	\$0	\$998,428	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$1,055,132	\$0	\$1,055,132	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$3,958,112	\$163,750	\$3,794,362	92.1	1
Sporting Goods/Hobby/Musical Instr Stores	4511	\$3,378,081	\$163,750	\$3,214,331	90.8	1
Book, Periodical & Music Stores	4512	\$580,031	\$0	\$580,031	100.0	0
General Merchandise Stores	452	\$18,748,717	\$7,650,920	\$11,097,797	42.0	5
Department Stores Excluding Leased Depts.	4521	\$13,061,902	\$3,227,410	\$9,834,492	60.4	2
Other General Merchandise Stores	4529	\$5,686,815	\$4,423,510	\$1,263,305	12.5	3
Miscellaneous Store Retailers	453	\$5,498,302	\$2,776,181	\$2,722,121	32.9	9

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Surplus Factor	Leakage/	Number of Businesses
Florists	4531	\$167,005	\$624,400	(\$457,395)	(57.8)		1
Office Supplies, Stationery & Gift Stores	4532	\$1,234,729	\$268,108	\$966,621	64.3		2
Used Merchandise Stores	4533	\$613,610	\$74,036	\$539,574	78.5		1
Other Miscellaneous Store Retailers	4539	\$3,482,958	\$1,809,637	\$1,673,321	31.6		5
Nonstore Retailers	454	\$1,462,856	\$1,217,126	\$245,730	9.2		2
Electronic Shopping & Mail-Order Houses	4541	\$788,100	\$1,130,154	(\$342,054)	(17.8)		1
Vending Machine Operators	4542	\$177,837	\$0	\$177,837	100.0		0
Direct Selling Establishments	4543	\$496,919	\$86,972	\$409,947	70.2		1
Food Services & Drinking Places	722	\$12,161,921	\$19,252,469	(\$7,090,548)	(22.6)		48
Special Food Services	7223	\$71,901	\$195,629	(\$123,728)	(46.2)		1
Drinking Places - Alcoholic Beverages	7224	\$183,412	\$883,807	(\$700,395)	(65.6)		4
Restaurants/Other Eating Places	7225	\$11,906,608	\$18,173,033	(\$6,266,425)	(20.8)		43

Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2022)



Figure B.9 – Leakage Surplus Factor by Subsector, West Side



Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2022)

## Neighborhood Focus: Eastside

One in four Eastside residents are employed in health care and social assistance. An additional 11.9 percent of area residents work in administration and support, waste management and remediation, and 11.1 percent in retail trade. Like the other neighborhoods and the city as a whole Eastside’s most prominent industry by percent of jobs is health care and social assistance (30.8 percent) followed by educational services (14.1 percent). However, the area has a particularly high concentration of jobs in construction and manufacturing, although this trend weakened from 2010 to 2019, as other industries have grown in the neighborhood. The area also has almost no presence of jobs in finance and insurance, which is the most prevalent industry citywide.

The Eastside has retail leakage across most industry categories. Nonstore retailers, general merchandise stores, hobby stores, clothing stores, and motor vehicle and parts dealers have no retail supply in the neighborhood. Interestingly, the Eastside is the only neighborhood investigated to have a retail surplus in either home improvement or electronics stores. The largest retail leakage in dollars is motor vehicle and parts dealers at \$7.1 million, followed by general merchandise stores (\$5.5 million,) gasoline stations (\$3.6 million), and food and beverage stores (\$2.6 million).

Figure B.10 – Retail Supply and Demand Detail, East Side

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Surplus Factor	Leakage/	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$7,144,711	\$0	\$7,144,711	100.0		0
Automobile Dealers	4411	\$6,147,653	\$0	\$6,147,653	100.0		0
Other Motor Vehicle Dealers	4412	\$560,899	\$0	\$560,899	100.0		0
Auto Parts, Accessories & Tire Stores	4413	\$436,159	\$0	\$436,159	100.0		0
Furniture & Home Furnishings Stores	442	\$1,225,450	\$433,822	\$791,628	47.7		1
Furniture Stores	4421	\$703,626	\$0	\$703,626	100.0		0
Home Furnishings Stores	4422	\$521,824	\$433,822	\$88,002	9.2		1
Electronics & Appliance Stores	443	\$941,286	\$1,013,894	(\$72,608)	(3.7)		1
Bldg Materials, Garden Equip. & Supply Stores	444	\$1,872,337	\$1,956,214	(\$83,877)	(2.2)		1
Bldg Material & Supplies Dealers	4441	\$1,753,679	\$1,956,214	(\$202,535)	(5.5)		1
Lawn & Garden Equip & Supply Stores	4442	\$118,658	\$0	\$118,658	100.0		0
Food & Beverage Stores	445	\$6,049,988	\$3,400,085	\$2,649,903	28.0		6
Grocery Stores	4451	\$5,070,545	\$1,534,902	\$3,535,643	53.5		3
Specialty Food Stores	4452	\$404,058	\$0	\$404,058	100.0		0
Beer, Wine & Liquor Stores	4453	\$575,385	\$1,865,183	(\$1,289,798)	(52.8)		3
Health & Personal Care Stores	446, 4461	\$2,402,845	\$0	\$2,402,845	100.0		0
Gasoline Stations	447, 4471	\$3,616,411	\$0	\$3,616,411	100.0		0
Clothing & Clothing Accessories Stores	448	\$1,985,148	\$0	\$1,985,148	100.0		0
Clothing Stores	4481	\$1,421,646	\$0	\$1,421,646	100.0		0
Shoe Stores	4482	\$290,363	\$0	\$290,363	100.0		0
Jewelry, Luggage & Leather Goods Stores	4483	\$273,139	\$0	\$273,139	100.0		0
Sporting Goods, Hobby, Book & Music Stores	451	\$1,133,338	\$0	\$1,133,338	100.0		0
Sporting Goods/Hobby/Musical Instr Stores	4511	\$965,549	\$0	\$965,549	100.0		0
Book, Periodical & Music Stores	4512	\$167,789	\$0	\$167,789	100.0		0
General Merchandise Stores	452	\$5,480,399	\$0	\$5,480,399	100.0		0
Department Stores Excluding Leased Depts.	4521	\$3,786,246	\$0	\$3,786,246	100.0		0
Other General Merchandise Stores	4529	\$1,694,153	\$0	\$1,694,153	100.0		0
Miscellaneous Store Retailers	453	\$1,717,033	\$924,988	\$792,045	30.0		2

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Surplus Factor	Leakage/	Number of Businesses
Florists	4531	\$45,879	\$0	\$45,879	100.0	100.0	0
Office Supplies, Stationery & Gift Stores	4532	\$354,641	\$0	\$354,641	100.0	100.0	0
Used Merchandise Stores	4533	\$179,038	\$0	\$179,038	100.0	100.0	0
Other Miscellaneous Store Retailers	4539	\$1,137,475	\$924,988	\$212,487	10.3	10.3	2
Nonstore Retailers	454	\$413,074	\$0	\$413,074	100.0	100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$224,025	\$0	\$224,025	100.0	100.0	0
Vending Machine Operators	4542	\$52,825	\$0	\$52,825	100.0	100.0	0
Direct Selling Establishments	4543	\$136,224	\$0	\$136,224	100.0	100.0	0
Food Services & Drinking Places	722	\$3,482,574	\$2,216,024	\$1,266,550	22.2	22.2	8
Special Food Services	7223	\$20,912	\$195,629	(\$174,717)	(80.7)	(80.7)	1
Drinking Places - Alcoholic Beverages	7224	\$52,391	\$271,440	(\$219,049)	(67.6)	(67.6)	1
Restaurants/Other Eating Places	7225	\$3,409,271	\$1,748,955	\$1,660,316	32.2	32.2	6

Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2022)

Figure B.11 – Leakage Surplus Factor by Subsector, East Side



Source: ESRI Business Analyst (2020), Econsult Solutions, Inc. (2020)

### Neighborhood Focus: Northeast

Resident jobs in the Northeast are similar to those in Westside/West Center City and Eastside. The Northeast has a slightly higher percentage of residents working in retail trade (11.7 percent) and transportation and warehousing (7.8 percent). The low total number of jobs in the Northeast creates a large disparity between the number of total jobs available in the neighborhood (less than 2,000), and the number of resident workers of the neighborhood (3,552); the other focus areas both have more jobs than residents workers. In the Northeast, the largest sectors in terms of worker jobs are construction (23.2 percent, representing notably large growth in recent years), health care and social assistance (20.6 percent), and manufacturing (14.4 percent).

Similar to the Eastside, the Northeast has no retail supply in nonstore retailers, hobby stores, clothing stores, nor furniture stores. There is a surplus of food and beverage stores, motor vehicle and parts dealers, and miscellaneous store retailers. The largest retail leakage in dollars is department stores at \$4.5 million, followed by clothing stores (\$2.9 million), and health & personal care stores (\$2.4 million).

Figure B.12 – Retail Supply and Demand Detail, Northeast

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Leakage/ Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$10,813,953	\$24,642,794	(\$13,828,841)	-39	12
Automobile Dealers	4411	\$9,279,094	\$13,077,742	(\$3,798,648)	-17	5
Other Motor Vehicle Dealers	4412	\$881,155	\$907,937	(\$26,782)	-1.5	1
Auto Parts, Accessories & Tire Stores	4413	\$653,704	\$10,657,115	(\$10,003,411)	-88.4	6
Furniture & Home Furnishings Stores	442	\$1,849,075	\$0	\$1,849,075	100	0
Furniture Stores	4421	\$1,032,337	\$0	\$1,032,337	100	0
Home Furnishings Stores	4422	\$816,738	\$0	\$816,738	100	0
Electronics & Appliance Stores	443	\$1,379,697	\$128,960	\$1,250,737	82.9	1
Bldg Materials, Garden Equip. & Supply Stores	444	\$3,172,111	\$1,939,186	\$1,232,925	24.1	3
Bldg Material & Supplies Dealers	4441	\$2,968,236	\$1,254,126	\$1,714,110	40.6	2
Lawn & Garden Equip & Supply Stores	4442	\$203,875	\$685,060	(\$481,185)	-54.1	1
Food & Beverage Stores	445	\$8,676,232	\$16,645,077	(\$7,968,845)	-31.5	20
Grocery Stores	4451	\$7,264,049	\$5,371,762	\$1,892,287	15	9
Specialty Food Stores	4452	\$576,790	\$455,252	\$121,538	11.8	1
Beer, Wine & Liquor Stores	4453	\$835,393	\$10,818,063	(\$9,982,670)	-85.7	10
Health & Personal Care Stores	446, 4461	\$3,621,349	\$1,219,108	\$2,402,241	49.6	1
Gasoline Stations	447, 4471	\$5,327,048	\$8,874,455	(\$3,547,407)	-25	2
Clothing & Clothing Accessories Stores	448	\$2,861,418	\$0	\$2,861,418	100	0
Clothing Stores	4481	\$2,041,933	\$0	\$2,041,933	100	0
Shoe Stores	4482	\$416,015	\$0	\$416,015	100	0
Jewelry, Luggage & Leather Goods Stores	4483	\$403,470	\$0	\$403,470	100	0
Sporting Goods, Hobby, Book & Music Stores	451	\$1,646,076	\$0	\$1,646,076	100	0
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,411,598	\$0	\$1,411,598	100	0
Book, Periodical & Music Stores	4512	\$234,478	\$0	\$234,478	100	0
General Merchandise Stores	452	\$7,961,359	\$10,311,437	(\$2,350,078)	-12.9	7

Industry	NAICS	Demand - Retail		Supply - Retail Sales	Retail Gap	Leakage/ Surplus Factor	Number of Businesses
		Potential	Actual				
Department Stores Excluding Leased Depts.	4521	\$5,514,389	\$968,704	\$4,545,685	70.1	1	
Other General Merchandise Stores	4529	\$2,446,970	\$9,342,733	(\$6,895,763)	-58.5	6	
Miscellaneous Store Retailers	453	\$2,510,322	\$3,384,937	(\$874,615)	-14.8	6	
Florists	4531	\$78,851	\$284,196	(\$205,345)	-56.6	1	
Office Supplies, Stationery & Gift Stores	4532	\$529,288	\$53,726	\$475,562	81.6	1	
Used Merchandise Stores	4533	\$261,946	\$518,252	(\$256,306)	-32.9	1	
Other Miscellaneous Store Retailers	4539	\$1,640,237	\$2,528,763	(\$888,526)	-21.3	3	
Nonstore Retailers	454	\$603,863	\$0	\$603,863	100	0	
Electronic Shopping & Mail-Order Houses	4541	\$327,009	\$0	\$327,009	100	0	
Vending Machine Operators	4542	\$75,513	\$0	\$75,513	100	0	
Direct Selling Establishments	4543	\$201,341	\$0	\$201,341	100	0	
Food Services & Drinking Places	722	\$5,072,536	\$4,299,627	\$772,909	8.2	15	
Special Food Services	7223	\$30,992	\$0	\$30,992	100	0	
Drinking Places - Alcoholic Beverages	7224	\$74,763	\$0	\$74,763	100	0	
Restaurants/Other Eating Places	7225	\$4,966,781	\$4,299,627	\$667,154	7.2	15	

Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2022)

Figure B.13 – Leakage Surplus Factor by Subsector, Northeast



Source: ESRI Business Analyst (2020), Econsult Solutions, Inc. (2020)

## Summary of Economic Indicators

Employment in Wilmington as a whole is dominated by professional services, whereas workers in the focus neighborhoods are concentrated in health care and social assistance and educational services. In the city as a whole and the focus neighborhoods, most residents are employed in health care and social assistance and low-barrier to entry industries such as retail trade, administration and support, waste management and remediation, and accommodation and food services. In terms of surplus/leakage dynamics, the focus neighborhoods have retail leakage across most industry categories and the potential to foster general merchandise stores, clothing stores, and hobby stores.

## Appendix C: Home Lending Background Information<sup>12</sup>

### Overview

Publicly available data from the Home Mortgage Disclosure Act (HMDA) enables a fine-grain analysis of the home lending activity in Wilmington. This section looks at the distribution of home loans across demographic categories to understand the variance in lending activity across Equitable Wilmington’s three focus neighborhoods.

### Citywide Home Lending Indicators

In 2020, financial institutions loaned over \$316 million in home mortgages to borrowers in Wilmington (a 225 percent increase from 2018). White borrowers received over 3 times the total loan amount received by Black borrowers, \$209.3 million compared to \$57.4 million, despite comprising a smaller portion of the total households in Wilmington. Black and Asian borrowers have the highest denial rate of any demographic (15.7 percent) however the disparity faced by Black borrowers is greater since they occupy a greater share of households. When financial institutions issue home loans to Black and Latino borrowers, those loans are more likely to be subprime loans, at 29.5 and 17.5 percent respectively, than the loans issued to White borrowers (2.7 percent).

Figure C.1 – Key Home Lending Metrics, City of Wilmington

<b>Measure</b>	<b>White</b>	<b>Black</b>	<b>Asian</b>	<b>Latino</b>	<b>All Applicants</b>
Total Households	11,706	15,604	444	2,383	28,806
Total Applications	1303	705	51	111	2,818
Application Denials	95	111	8	12	276
Application Denial Rate	7.3%	15.7%	15.7%	10.8%	9.8%
Total Loans	847	360	26	57	1442
Prime Loans	824	278	26	47	1318
Subprime Loans	23	82	0	10	124
Total Loan Amount (\$M)	\$209.3	\$57.4	\$6.7	\$11.1	\$316.3
Loans per 1,000 Households	72.3	23.1	58.6	23.9	50.0

*Source: FFIEC Home Mortgage Disclosure Act (2020), Econsult Solutions, Inc. (2022)*

### Neighborhood Focus: Westside/West Center City

Similar to the citywide statistics, the disparities between the frequency and quality of loans issued to Black borrowers compared to that of White borrowers is stark in Westside/West Center City. The denial rate for mortgages to Black borrowers is 19.6 percent, while White borrowers face a denial rate that is less than 10 percent. Nearly a third of the loans financial institutions lend to Black borrowers are subprime.

<sup>12</sup> The most up to date FFIEC Home Mortgage Disclosure Act data is for the year 2020



Figure C.2 – Key Home Lending Metrics, West Side

<b>Measure</b>	<b>White</b>	<b>Black</b>	<b>Asian</b>	<b>Latino</b>	<b>All Applicants</b>
Total Households	2,136	2,834	77	988	5,400
Total Applications	146	112	2	19	369
Application Denials	14	22	2	3	52
Application Denial Rate	9.6%	19.6%	100.0%	15.8%	14.1%
Total Loans	89	51	0	7	174
Prime Loans	89	39	0	6	159
Subprime Loans	-	12	0	1	15
Total Loan Amount (\$M)	\$19.0	\$7.4	\$0.0	\$.87	\$31.9
Loans per 1,000 Households	41.7	18.0	0	7.1	32.2

Source: FFIEC Home Mortgage Disclosure Act (2020), Econsult Solutions, Inc. (2022)

### Neighborhood Focus: Eastside

Because more than 90 percent of residents in the Eastside are Black, the sample size of demographic comparisons is too small to render the statistics significant. The denial rate for Black borrowers is 23.1 percent (a 7.3 percent decrease from previous). Black borrowers receive only 6.3 home mortgages for every 1,000 households, the lowest of any focus neighborhood.

Figure C.4 – Key Home Lending Metrics, East Side

<b>Measure</b>	<b>White</b>	<b>Black</b>	<b>Asian</b>	<b>Latino</b>	<b>All Applicants</b>
Total Households	99	2178	11	59	2365
Total Applications	2	26	-	-	51
Application Denials	0	6	-	-	6
Application Denial Rate	0.0%	23.1%	-	-	11.8%
Total Loans	2	15	-	-	22
Prime Loans	2	11	-	-	17
Subprime Loans	-	4	-	-	5
Total Loan Amount (\$M)	\$.12	\$1.5	-	-	\$2.2
Loans per 1,000 Households	20.2	6.9	-	-	9.3

Source: FFIEC Home Mortgage Disclosure Act (2020), Econsult Solutions, Inc. (2022)

### Neighborhood Focus: Northeast

In the Northeast, in proportion to the number of applications Black borrowers suffer the highest denial rate of any of the focus neighborhoods at 18.8% (a decrease of 16 percent from 2019). Since Black households comprise most of the neighborhood’s population, the Northeast has a higher neighborhood-wide denial rate than the West Side or East Side.

Figure C.5 – Key Home Lending Metrics, Northeast

<b>Measure</b>	<b>White</b>	<b>Black</b>	<b>Asian</b>	<b>Latino</b>	<b>All Applicants</b>
Total Households	257	2466	42	121	2849
Total Applications	28	80	3	9	184
Application Denials	4	15	3	1	32
Application Denial Rate	14.3%	18.8%	100.0%	11.1%	17.4%
Total Loans	9	38	-	3	63
Prime Loans	7	29	-	2	49
Subprime Loans	2	9	-	1	14
Total Loan Amount (\$M)	\$1.2	\$4.6	-	\$.39	\$8.1
Loans per 1,000 Households	35.0	15.4	-	24.8	22.1

*Source: FFIEC Home Mortgage Disclosure Act (2020), Econsult Solutions, Inc. (2022)*

## Summary of Home Lending Indicators

Racial disparities are not unique to Wilmington, but ever-present in home lending outcomes for borrowers in the city. Black and Brown borrowers face higher denial rates than White borrowers in the city as a whole and Westside/West Center City, and financial institutions are more likely to lend subprime mortgages to Black and Brown borrowers than White borrowers.

## Appendix D: Banking & Business Lending Background Information

### Overview

Data on bank branch locations in Wilmington provides insight into the availability of financial services in Wilmington's communities. Local banks provide the credit necessary for both residents and small business owners. This section compares the number of bank branches and deposits at each bank across the focus neighborhoods.<sup>13</sup>

### Citywide Bank Branch Locations

In 2021, 32 bank branch locations are located in the city of Wilmington. These banks held over \$210 billion in deposits (an increase of approximately 23 percent from 2019). The only bank branches located in the three focus neighborhoods are the two starred banks in Figure D.1, both of which are located in Westside/West Center City.

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<sup>13</sup> Bank branches included in the analysis are exclusively FDIC-insured institutions which omit credit unions and some other financial service providers.

Figure D.1 – Bank Branches and Deposits by Bank, City of Wilmington

<b>Bank Branch</b>	<b>Bank Branches</b>	<b>Sum of Deposits as of June 30th, 2021 (\$M)</b>
PNC Bank, National Association	1	\$131.7
Wilmington Savings Fund Society, FSB	1	\$69.8
Artisans' Bank	1	\$28.7
Bank of America, National Association	2	\$2,125.9
Barclays Bank Delaware	1	\$21,140.0
Capital One, National Association	1	\$171,657.3
Citizens Bank, National Association	3	\$284.6
First Republic Bank	1	\$0.0
HSBC Trust Company (Delaware), National Association	1	\$0.5
JPMorgan Chase Bank, National Association	2	\$156.9
Manufacturers and Traders Trust Company	4	\$1,497.3
Morgan Stanley Private Bank, National Association	1	\$0.0
PNC Bank, National Association	5	\$1,136.3
Santander Bank, N.A.	1	\$23.1
Stifel Trust Company Delaware, National Association	1	\$297.8
TD Bank, National Association	1	\$263.0
Wells Fargo Bank, National Association	1	\$211.8
Wilmington Savings Fund Society, FSB	2	\$2,370.6
Wilmington Trust, National Association	2	\$9,575.7
<b>Total</b>	<b>32</b>	<b>\$210,971.0</b>

Source: FDIC Summary of Deposits (2021)

### Neighborhood Focus: Westside/West Center City

There are two bank branches in the Westside/West Center City. These two banks hold a total of over \$200 million in deposits. The larger bank of the two, in terms of total deposits held, is PNC Bank, National Association.

Figure D.2 –Bank Branches and Deposits by Bank, City of Wilmington

<b>Bank Branch</b>	<b>Bank Branches</b>	<b>Sum of Deposits as of June 30th, 2020 (\$M)</b>
PNC Bank, National Association	1	\$131.7
Wilmington Savings Fund Society, FSB	1	\$69.8
<b>Total</b>	<b>2</b>	<b>\$201.5</b>

*Source: FDIC Summary of Deposits (2021), Econsult Solutions, Inc. (2022)*

### Neighborhood Focus: Eastside

There are no bank branches located in the Eastside.

### Neighborhood Focus: Northeast

There are no bank branches located in the Northeast.

### Summary of Bank Branch Locations

The distribution of bank branches in Wilmington is inequitable. Neighborhoods outside of the focus areas have many bank branches (and therefore options when it comes to in-person banking), while the focus neighborhoods still lack sufficient branches. Westside/West Center City continue to be the only neighborhoods with any bank branches. The lack of bank branches in the Eastside and the Northeast speaks to the inaccessibility of financial services to small business owners and residents in these areas.

## Appendix E: Business Lending Background Information<sup>14</sup>

### Overview

This section examines the geographic lending activities of depository lending institutions under the Community Reinvestment Act (CRA). The CRA program requires lenders with total assets of approximately \$1 billion or more to report their small business lending activities. The purpose of the CRA is to encourage federally insured depository lenders to help meet the credit needs of the local communities in which they are located. CRA data are important for understanding small business lending activities by lenders and bank holding companies in a given geography.

The data provided in this analysis is intended to be representative, but not necessarily comprehensive of the capital providers located in Wilmington and the surrounding region. There is a consideration that should accompany this analysis of this capital landscape dataset. FFIEC CRA data underrepresents loans to small businesses, as only banks above a certain asset threshold are required to report CRA loans.

### Citywide Capital Access Indicators

According to CRA data, 2,370 loans with an aggregate value of \$169.5 million were issued to small businesses in Wilmington in 2020. Of these loans, 887 were extended to small businesses with annual revenues of less than \$1 million.

Figure E.1 - Small Business Lending Activity, City of Wilmington and Focus Neighborhoods

<b>Geography</b>	<b>Total Loans to Small Businesses</b>	<b>Total Loan Amount to Small Businesses (\$M)</b>	<b>Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million</b>
West Side	230	\$11.0	90
East Side	81	\$9.3	26
Northeast	146	\$8.9	53
Rest of Wilmington	1913	\$140.1	718
<b>Total</b>	<b>2370</b>	<b>\$169.5</b>	<b>887</b>

*Source: FFIEC Community Reinvestment Act (2020), Econsult Solutions, Inc. (2022)*

### Neighborhood Focus: Westside/West Center City

230 loans with an aggregate value of \$11 million were originated to small businesses in the West Side in 2020. Of these loans, 90 were originated to small businesses with annual revenues of less than \$1 million. In relation to 2018 lending patterns, the total amount lent to small businesses increased by 4 percent while the total amount of loans to small businesses with less than \$1 million in annual revenues decreased by nearly 11 percent.

<sup>14</sup> The most up to date FFIEC Community Reinvestment Act Aggregate Report data is for the year 2020

Figure E.2 - Small Business Lending Activity, Westside/West Center City

<b>Geography</b>	<b>Total Loans to Small Businesses</b>	<b>Total Loan Amount to Small Businesses (\$M)</b>	<b>Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million</b>
Westside/West Center City	230	\$11.0	90
<b>Total</b>	230	\$11.0	90

Source: FFIEC Community Reinvestment Act (2020), Econsult Solutions, Inc. (2022)

### Neighborhood Focus: Eastside

81 loans with an aggregate value of \$9.3 million were originated to small businesses in the Eastside in 2020. Of these loans, 26 were originated to small businesses with annual revenues of less than \$1 million. In relation to 2018 lending patterns, the total amount lent to small businesses increased by 310 percent while total loans to small businesses with less than \$1 million in annual revenues increased by approximately 54 percent.

Figure E.3 - Small Business Lending Activity, Eastside

<b>Geography</b>	<b>Total Loans to Small Businesses</b>	<b>Total Loan Amount to Small Businesses (\$M)</b>	<b>Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million</b>
Eastside	81	\$9.3	26
<b>Total</b>	81	\$9.3	26

Source: FFIEC Community Reinvestment Act (2020), Econsult Solutions, Inc. (2022)

### Neighborhood Focus: Northeast

146 loans with an aggregate value of \$8.9 million were originated to small businesses in the Northeast in 2020. Of these loans, 53 were originated to small businesses with annual revenues of less than \$1 million. In relation to 2018 lending patterns, the total amount lent to small businesses increased by 287 percent while total loans to small businesses with less than \$1 million in annual revenues increased by 15 percent.

Figure E.4 - Small Business Lending Activity, Northeast

<b>Geography</b>	<b>Total Loans to Small Businesses</b>	<b>Total Loan Amount to Small Businesses (\$M)</b>	<b>Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million</b>
Northeast	146	\$8.9	53
<b>Total</b>	146	\$8.9	53

Source: FFIEC Community Reinvestment Act (2020)

## Summary of Capital Access Indicators

Small businesses comprise nearly all employer firms in the economy and employ nearly 48 percent of the private sector workforce.<sup>15</sup> Small businesses are a crucial component of the U.S. economy, but their existence and success depend on their ability to access credit, needed for economic recovery and growth. Numerous studies have shown that small businesses, because of their size, have virtually no access to capital markets and thus rely on depository lending institutions for their credit needs.<sup>16</sup>

The existence and performance of these vibrant businesses depend on how banks and other financial intermediaries are responding to their credit needs. In Wilmington, over 2,000 small businesses have received loans totaling nearly \$170 million to meet their credit needs (an approximate 23 percent and 85 percent increase from 2018 respectively). Within the three focus areas, the majority of loans have been distributed in the West Side, where the majority of small businesses are located showcasing consistent investment patterns with 2018.

While these data suggest that there is capital available to business owners in Wilmington, it is important to note that this is not wholly comprehensive of the city's capital landscape. Additional takeaways from interviews with business owners in the focus areas illustrated misalignment between small business and capital providers in their understanding of capital market gaps. While capital providers believe the struggle is to deploy their capital and to find businesses to lend to, some businesses report the biggest challenge they face is access to capital. Better alignment or improved understanding in this area is needed.

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<sup>15</sup> 2020 Small Business Profile. U.S. Small Business Administration.

<sup>16</sup> Board of Governors of the Federal Reserve System, "Financial Services Used by Small Businesses: Evidence from the 2003 Survey of Small Business Finances," Federal Reserve Bulletin, October 2006, Table 10.