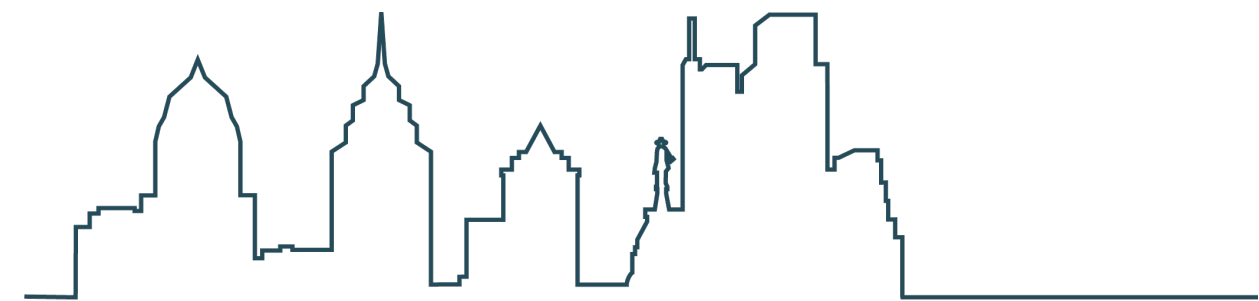


Equitable Wilmington CDFI Collaborative

White Paper 3 of 3 (2022)

Date: January 27, 2023
Submitted to Abt Associates



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Executive Summary

The Equitable Wilmington CDFI 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 third and final annual white paper required of grantees, corresponding to the Collaborative’s third year.

The Collaborative’s three members are Cinnaire, NeighborGood Partners (formerly NCALL Loan Fund), and True Access Capital. All of which are Community Development Financial Institutions (CDFIs) with a long track record of uplifting communities underserved by traditional lending institutions. The Collaborative is focused on three neighborhoods in Wilmington – Westside/West Center City, Eastside, and Northeast – and established six core goals and targets at the start of the engagement:

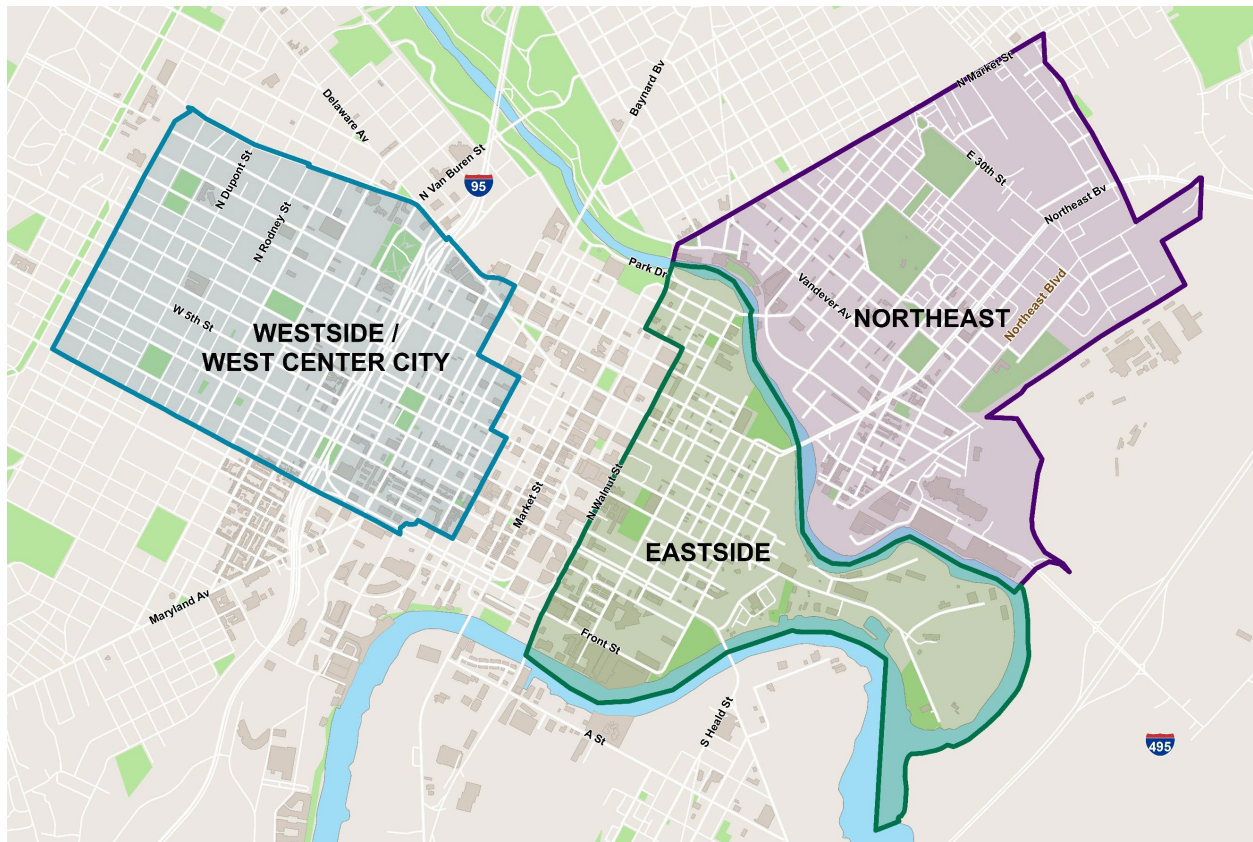
1. To build healthy neighborhoods through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans.
2. Launch a governance structure: Hire a Collaborative Project Manager and create a Community Advisory Committee 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, 60 JumpStart trainees (small-scale resident developers) trained, and invest in data technology to support local leaders.

This report represents the third 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 focus 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 first 12 months. 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. The second white paper highlighted progress over the subsequent year, including the further institutionalization of the components required to operate as a true collaborative entity.

The Collaborative was formed at a challenging time—just months before a global pandemic that has continued to create challenges for 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.

This third white paper reflects on the final year of the PRO Neighborhoods initiative, compares successes to the baseline established in the Collaborative’s first year, and explores how the three member CDFIs might continue to work with one another in a formal capacity beyond the three year grant period, building from their connections that began even before their involvement in this initiative. Equitable Wilmington CDFI Collaborative has done much for the city and the three focus neighborhoods during the grant period and has built the foundation and created momentum towards further collaboration in the future.

Figure ES.1: Equitable Wilmington CDFI 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 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, entrepreneurial support, and support of community facilities that bring resources to the local community. Now finishing its third year, Equitable Wilmington CDFI Collaborative has continued to offer grants, loans, and technical support to small businesses, local developers, and community-serving organizations.

This report is the third of three white papers for the Equitable Wilmington CDFI Collaborative. The first, completed in January 2021, brought together quantitative and qualitative research, including publicly available sources as well as information 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 final report includes updates to 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. As the third and final white paper, it also aims to provide a synopsis of the Collaborative's accomplishments throughout the entirety of the PRO Neighborhoods program, as well as shed light on how the three CDFIs may continue to work synergistically in the future.

The disruptions caused by COVID-19 have continued to have an impact, including how businesses operate, wealth is distributed, and economic security is achieved. The pandemic 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, NeighborGood Partners¹ (formerly NCALL Loan Fund), and True Access Capital are the three members of Equitable Wilmington CDFI 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.

¹ NeighborGood Partners (formerly known as NCALL) changed their name in October, 2022 to further align their brand with their mission. *Delaware Public Media, "NCALL Rebrands, Changes name to NeighborGood Partners", 2022*

Figure 1.1: About the Equitable Wilmington CDFI Collaborative Members

	Cinnaire	NeighborGood Partners	True Access Capital
Mission / Vision	“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”
Focus Geographies	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
Core Activities	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
Organizational Metrics	<p>\$4.9B+ in total investments</p> <p>\$9.3B+ in community impact</p> <p>664+ community development loans extended totaling \$641M+</p> <p>863 housing developments under asset management (over 49,700 affordable apartments)</p>	<p>276 loans made, deploying more than \$165 million (including participations)</p> <p>1,092 affordable housing units developed or preserved</p> <p>Financed projects that provide more than 410 beds/rooms with support services</p> <p>625,000 square feet of community facility spaces acquired or developed</p> <p>274,000 square feet of commercial/mixed-use space acquired or developed</p>	<p>Over \$55M in support to more than 1,455 small businesses and organizations</p> <p>74 percent of loans to minority borrowers</p> <p>38 percent of loans to women</p> <p>47 percent of loans to low-income borrowers</p>
Role in Equitable Wilmington CDFI Collaborative	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 CDFI Collaborative's Goals & Vision

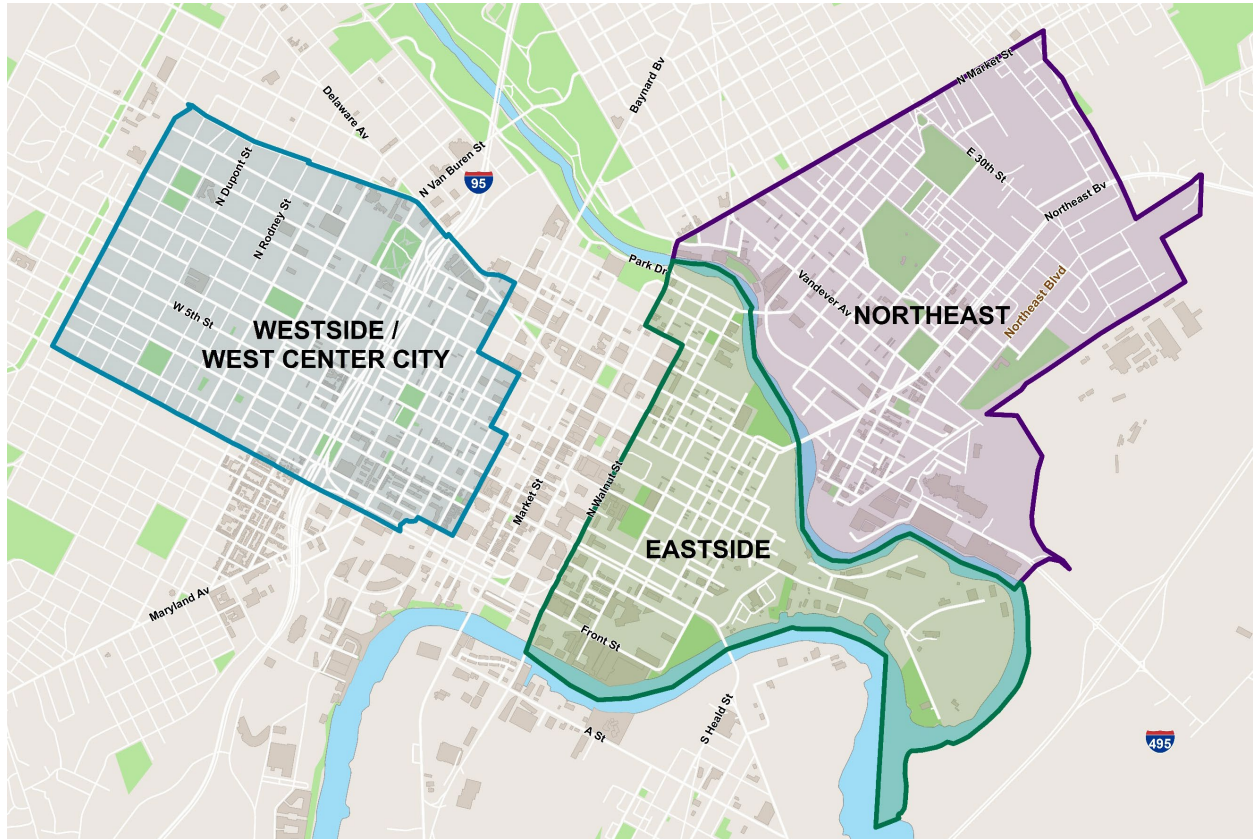
Equitable Wilmington CDFI Collaborative's vision is to expand equitable opportunities to underserved neighborhoods by making significant, concentrated investment in economically marginalized communities that surround the Central Business District with targeted capital, training, and technical assistance 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 7th 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 papers, Equitable Wilmington CDFI 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, 60 Jumpstart trainees (small-scale resident developers) trained, invest in data technology to support local leaders.

Now that the program is in its third and final year, Equitable Wilmington CDFI Collaborative has tracked its progress across these goals over the course of the entire program (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 7th 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 7th 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 was tracked over time, allowing for continued multiyear comparisons.² This section also highlights some of the ways in which the Collaborative has engaged with local community organizations.

The Equitable Wilmington CDFI Collaborative's 2022 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 overall 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 third 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.

² While there is some lag in data reporting from secondary sources, they can be used to identify 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? (3.9, 3.12)
8. How have the Collaborative's activities supported small businesses in Wilmington? (3.7-3.8, 3.10, 3.12)
9. How have the Collaborative's activities supported capacity building in Wilmington? (3.5-3.6, 3.11-3.12)
10. What are the demographic characteristics of each focus 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 focus 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 focus 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 focus 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

The first year's white paper provided baseline data for both Wilmington and the three focus neighborhoods of Westside/West Center City, Eastside, and Northeast. In the second year, the data was 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 offered important insights into the local context. This third and final white paper includes updated data, multi-year comparisons, and future opportunities for the Collaborative to continue working together beyond the PRO Neighborhoods program.

As described in previous reports, 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 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 partner 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 uplift 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 Eastside, Westside/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 just over 72,000), 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/a/x 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/a/x ³
Share of Population	32.0%	63.5%	1.5%	11.2%
Median Household Income	\$64,125	\$32,854	\$68,550	\$33,120
Poverty Rate	7.8%	27.4%	6.4%	24.5%
Bachelor's Degree or Higher ⁴	49.5%	13.2%	65.2%	13.8%
Homeownership Rate	57.1%	36.2%	25.0%	31.8%
Home Loan Denial Rate	7.0%	15.4%	3.4%	12.5%

Source: American Community Survey (2016-2020), Home Mortgage Disclosure Act (2021)

Income disparities between Black and Latino/a/x households compared to 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 \$64,125, Black households make just over half of that (\$32,854) with Latino/a/x households earning a similar amount (\$33,120). To further highlight this racial economic disparity, the poverty rate for white residents is 7 percent, which is substantially lower than that of both Black and Latino/a/x residents, which have poverty rates of 27.4 and 24.5 percent, respectively.

Over the course of the three years in which the Equitable Wilmington CDFI Collaborative has been active, the data points used to shed light on the city's economic climate have remained relatively constant. Income levels and poverty rates don't change drastically year-to-year and any changes often aren't fully reflected in the data since the U.S. Census Bureau's Annual Community Survey provides a 5-year average, making it challenging to compare metrics across the three years of the PRO program. However, there has been a noticeable decrease between 2020 and 2022 in terms of the home loan denial rate for Hispanic or Latino/a/x borrowers, who experienced a 7.1 percent decrease in their home loan denial rate during this period (the largest decrease was experienced in 2021, where the denial rate for Hispanic or Latino/a/x borrowers was 10.8 percent).

³ The U.S. Census Bureau classifies the ethnicity Hispanic or Latino/a/x separately from racial categories, meaning that Hispanic or Latino/a/x residents can be of any race and are also included within racial groupings shown in this table.

⁴ While there are large disparities between Black and White residents at this level of education, Black residents only fall approximately one percentage point behind their White counterparts in terms of High School completion (88.5 percent and 89.7 percent, respectively). However, Hispanic or Latino/a/x residents significantly lag behind in this measure, with 63.1 percent of residents having a high school degree or higher.

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/a/x households compared to white and Asian households (see Appendices C, D, and E). The drastically disproportionate distribution of subprime (i.e., more costly) loans to Black and Latino/a/x borrowers is of particular concern: in 2021, 4.3 percent of home loans to white borrowers throughout the City of Wilmington were subprime, compared to 22.2 percent of those to Black borrowers and 17.0 percent of those to Latino/a/x 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 working 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.⁵ This dynamic speaks to the relationship between Wilmington and its neighboring communities.

2.3. Small Business Landscape and Climate

This section of the 2022 white paper provides an overview of the small business climate as represented by illustrative demographic, economic, and capital access data points. 2022 represented the third year of an ongoing global pandemic which in addition to representing public health challenges 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 might take time 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 and 2021 white papers.

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.⁶

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

⁵ Bureau of Labor Statistics *OnTheMap* 2019, all jobs.

⁶ A market study was conducted by ESI in 2020. 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 B.14 in the appendix).

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.

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 2022, there was a total of 36 bank branch locations in the City of Wilmington, holding over \$212 billion in deposits. Of these 36 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 \$28.8 million in 2021, out of a total of \$180.0 million in small business loans citywide that year (see Figure 2.2). Small business lending throughout the city increased by 75.1 percent from 2020, while the proportion of loans lent to small businesses in the Westside/West Center City, Eastside, and Northeast neighborhoods in comparison with all small business loans made in the city increased by 49.6 percent.

Figure 2.2: Small Business Loans and Amounts, City of Wilmington and Focus Neighborhoods

Geography	Total Loans to Small Businesses	Total Loan Amount to Small Businesses (\$M)
Westside/West Center City	347	\$10.6
Eastside	115	\$8.8
Northeast	222	\$9.4
Wilmington	4151	\$180.0

Source: FFIEC Community Reinvestment Act (2021)

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 the Delaware Community Investment Corporation) establishing connections in the city beginning in the early 1990s, and NeighborGood Partners beginning in the early 2000s.

Over the past three years, the member CDFIs have continued to strengthen their ties with local community groups. Not only has engagement with non-profits been steady across Collaborative members, but it has also been increasingly as a collaborative, rather than as individual entities. So far, more than 23 community groups and non-profit organizations have engaged with Equitable Wilmington CDFI 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 housing development described in Section 3.9 of this report. Just a few blocks away is the Lacy Redevelopment project (developed by the Central Baptist CDC), a single-family housing development developed by

Cinnaire Solutions and Central Baptist CDC. Each of these ventures have investments from one or more of the Equitable Wilmington CDFI 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 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 CDFI 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 three years have seen notable shifts in how the Collaborative works together to support their 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.

However, because the pandemic shed a light on these disparities, there has been a stronger focus on equitable lending and the Collaborative has been able to increase lending to Black, Indigenous, and People of Color (BIPOC) to help compensate for these disparities. The challenge facing the Collaborative and the city as a whole going forward is this simultaneous sense of greater need and greater disparity as a result of the pandemic, but also greater awareness and greater resources to address those challenges.

3. Equitable Wilmington CDFI Collaborative: Year 3

3.1. Overview

2022 marked the third full year of Equitable Wilmington CDFI Collaborative's work. After two years of uncertainty and challenges for many businesses, developers, and community groups, the Collaborative's third year focused on continuing to build its identity and determining how it might continue beyond the PRO program. Over the course of the year, Equitable Wilmington CDFI Collaborative continued to make progress on each of its ongoing goals, deploying a total of more than \$9.5 million in loan capital (for a total of more than \$23.8 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. This is the kind of work that is made possible by grants like the PRO program and is particularly impactful as it involves bigger and longer projects which often require more coordination, in turn providing more resources to communities.

Like in previous reports, this section of the report highlights a range of projects and investments that Equitable Wilmington CDFI Collaborative made over the course of 2022, across each of its focus areas and in all three focus neighborhoods.

Figure 3.1: Collaborative Goals and Status

Goal	Status at End of 2021	Current Status (End of 2022)
To build healthy neighborhoods through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans	Small Business Market analysis completed in Summer 2020 to provide baseline data for and about businesses in the three focus neighborhoods; see other goals for additional detail on financing and technical assistance.	See other goals for additional detail on financing and technical assistance.
Launch 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	Complete, with regular 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, and beyond the PRO program.
Small business support: 48 loans totaling \$1,020,000, with 48 small businesses assisted	9 loans to 8 borrowers (business loans and microloans combined), with a combined dollar amount of \$639,000 originated.	17 loans to 16 borrowers (business loans and microloans combined), with a combined dollar amount of \$858,000 originated.
Affordable housing preservation: 108 units preserved or rehabbed	Four loans totaling \$2,116,000 and two grants totaling \$274,000 for the preservation of 12 residential units, combined.	Four loans totaling \$2,116,000 and two grants totaling \$274,000 for the preservation of 12 residential units, combined.
Community facilities: 7 facilities supported including loans and/or technical assistance	Nine loans (community facilities and commercial loans to developers), totaling \$10,208,330.	14 loans (community facilities and commercial loans to developers), totaling \$16,511,330.
Capacity building: Capacity building: 6-10 capacity-building grants deployed, 60 JumpStart trainees (small-scale resident developers) trained, invest in data technology to support local leaders.	Eight capacity-building grants deployed to 8 non-profits through the Capacity Building Grant Fund, and 62 JumpStart trainees across five cohorts.	Eight capacity-building grants deployed to 8 non-profits through the Capacity Building Fund, and 95 JumpStart trainees across 9 cohorts. 2-year access to PolicyMap data platform for up to 30 organizations.

3.2. 2022 Activities: Overview

Equitable Wilmington CDFI 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 grant funds were well-targeted for these kinds of projects, which in turn are making a difference in the target neighborhoods, particularly because multiple members are involved and thus there is a broader collective strength at work. The following sub-sections address these topic areas, with a focus on investments made by the Collaborative in 2022.

3.3. Spotlight: Ongoing Fundraising Strategy

The third 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. With PRO funding, the Collaborative was able to contract with Strategy Arts to serve in the Project Manager role to ensure dedicated and sustained oversight of Collaborative work and coordination and participation of Collaborative member organizations in projects in the focus neighborhoods identified as consistent with Collaborative objectives. PRO funding also supported the development of a Collaborative-specific marketing and branding strategy, to distinguish and amplify the work of the Collaborative as a distinct entity over and above the contributions of individual Collaborative member organizations. Without PRO, the Collaborative understands the need for additional resources to support their continued work together in a formalized way.

In response to this identified need, the Collaborative has been working towards a joint fundraising strategy and pitch schedule that will reduce competition between the three CDFIs and support the resources needed to continue to maintain the Collaborative. Funders are more interested in collaborations than funding individual organizations doing similar work and the Collaborative has had meetings with prospective funders to gauge interest in funding this. A joint fundraising strategy can help the Collaborative secure additional funding to support smaller nonprofit organizations or businesses that may not otherwise get the support they need.

3.4. Spotlight: Community Advisory Committee

While working on the application for the PRO program, the three CDFIs convened a group of community-based organizations, community development organizations, and corporations who were working in the focus neighborhoods. The Collaborative asked them a series of questions to understand the needs, opportunities, and the potential development projects that were in the pipeline. The Committee helped the Collaborative ensure the funding secured through PRO would help address those needs, challenges, opportunities, and development projects.

Once Equitable Wilmington was awarded the PRO funds, the Collaborative decide to maintain the Community Advisory Committee, meeting with them on a quarterly basis and using that as a feedback loop to report on progress and stay connected to future opportunities. The ongoing input from the Committee has been critical for the success of the Collaborative.

3.5. Spotlight: PolicyMap for Wilmington Community Organizations

The Equitable Wilmington CDFI Collaborative recently purchased 2-year access to the PolicyMap Enterprise License for their community partners. PolicyMap is an online geographic information system (GIS) mapping tool that aggregates many types of data for users to create maps and reports for research, grant applications, health policy, market surveys, and other applications. Purchasing this platform fulfills the PRO Neighborhoods requirement to invest in data technology that helps local leaders understand and solve their communities' most urgent problems.

The PolicyMap Enterprise License was purchased in response to the Equitable Wilmington CDFI Collaborative's research around data for the community-based organizations in Wilmington who have voiced their needs as members of the Community Advisory Committee. The Collaborative is using the license to share with up to 30 organizations within Wilmington. This site will provide online access to interactive data mapping in the City of Wilmington, as well as demographics, incomes, housing, health, and education.

The Collaborative is dedicating this resource to community-based nonprofit organizations that provide community services in the City and do not have the budget to afford a data resource in Wilmington. By the end of 2022, seven organizations have accepted a license for PolicyMap. Organizations range from community development corporations, to collaboratives, and a housing organization. In exchange for access to PolicyMap, the Collaborative has asked users to bring research and data findings from the tool to the quarterly Community Advisory Committee meetings so that everyone can learn and benefit from each other.

3.6. Spotlight: 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 2022, a total of nine cohorts were held, with 120 people participating in the program, and 95 official graduates of the program.

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 rehabilitate key properties, one at a time.

"Jumpstart Wilmington is impacting Wilmington neighborhoods in many ways. Not only is it providing for the redevelopment of affordable properties, it is providing education and support for those who want to be a part of the redevelopment process. Without Jumpstart, they may not have the opportunity to do so."

Joy Barrist, Jumpstart Wilmington speaker

“The entire Cinnaire team was available to help us discover our greatness in the redevelopment process, connecting the bridge between the students and an abundance of opportunities. The impact of [my renovation] will be one less home adding to the blight of neighborhood and one more family to have a great, fully-renovated roof over their head.”

Cassandra Sifford, Jumpstart Wilmington November 2021
Cohort Graduate

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 approximately 20 mentors.

There are two cohorts slated for 2023, 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 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. To date, three loans have been closed with two Jumpstart Wilmington graduates for a total of four properties (3 rental properties and one homeownership property). There are currently seven additional Jumpstart Wilmington loans in Cinnaire’s lending pipeline that are scheduled to close in early 2023.
- **Property Acquisition Pilot Program (PAPP):** 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, Wilmington Neighborhood Conservancy Land Bank, 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 and development. Additionally, a critical piece of ensuring the success of the program and achievement of the goals for revitalizing vacant property in Wilmington is to have properties available for our Jumpstart Wilmington small-scale developers to acquire for redevelopment. The Property Acquisition Pilot Program will consist of a total of twelve properties that will be made available for Jumpstart Wilmington graduates to acquire and develop—seven of which were by the City of Wilmington; the remaining five provided by the Wilmington Housing Authority’s Delaware Affordable Housing Group (DAGH). Phase I of the

PAPP was launched in August 2022 with the City-owned properties, and five properties were awarded to five Jumpstart Wilmington graduates in November 2022. Each of the Jumpstart Wilmington developers awarded a property from Phase I of the PAPP is slated to receive a loan from the PAPP, and gap subsidy from the City of Wilmington's Community Development Block Grant Program (CDBG) Phase II will be launched in the first half of 2023, with the properties owned by the Delaware Affordable Housing Group.

- Kickstart Sessions: Monthly Kickstart Sessions focus on specific development topics and are open to the broader development community. A total of eight Kickstart Sessions were held in 2022 and included the following topics:
 - Incentives for Historic Properties in Wilmington
 - Unlocking the Delaware Historic Preservation Tax Credit
 - The Truth About Sheriff Sales and Wholesaling
 - What You Need to Know About Section 8 Rental Housing: From A Landlord's Perspective
 - Tangled Titles
 - Data Analysis Assessment for Community Developers
 - Construction Scheduling and Project Sequencing
 - The Realities of Development
- 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. There were two Cohort Networking Events held in 2022.
- 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 to additional members of the development community to assist with development challenges and access to resources.
- Monthly Alumni Roundtable: The roundtables create an opportunity for Jumpstart Wilmington alumni to network, discuss development related topics, share information including successes, challenges, and lessons learned. There were 11 Monthly Alumni Roundtable events held in 2022.

Figure 3.2: Jumpstart Wilmington Construction Site Visit



Source: Cinnaire (2022)

3.7. Spotlight: Northeast Wilmington Revitalization Fund

In July 2022, the Equitable Wilmington CDFI Collaborative announced \$1.4 million in financing to support three projects through the Northeast Wilmington Revitalization Fund (NWRP). True Access Capital launched the fund to provide financial support for developers, business owners, landlords, and other property owners with projects that have a high economic and revitalization impact in Northeast Wilmington. The \$1.4 million financing includes funds made possible partly through a bond bill sponsored by Delaware State Senator Darius Brown (2nd District).

By the end of 2022, four projects closed, leveraging \$475,000 of PRO funds with another \$1.9 million from the NWRP, owners' equity injections, and the Empowerment Fund also launched by True Access Capital to provide small grants for Wilmington businesses owned by people of color.

These projects will have a high economic and revitalization impacts in Northeast Wilmington, including a former firehouse that will be revitalized to include two commercial spaces on the first floor and two residential units on the second floor. The funding also supported a new childcare center with space for 200 children with spots available for infants through pre-school in addition to a summer camp for school aged children. Once complete, the center will feature a curriculum that emphasizes academics and the arts and will serve as a resource to educate parents on the importance of educational and enrichment activities in child development. The third project that received funding supported the acquisition of a one-story industrial building that will provide expanded space for an existing safety equipment installation business. Once revitalized, the facility will create 10 new jobs and double capacity to expand

current business offerings, including hood installations, emergency lighting, fire suppression system inspection and installation, kitchen inspection consulting, sanitation, and maintenance services.

The purpose of the Northeast Wilmington Revitalization Fund is to support developers, business owners, landlords, and other business property owners with projects that include demolition, acquisition, new construction, rehabilitation, pre-development, working capital, inventory, furniture/fixtures, and equipment. Through the fund, True Access Capital provides flexible, low-interest loans, up to \$500,000 for eligible projects. Up to 30 percent of each loan made through the Northeast Wilmington Revitalization Fund will be forgiven, provided the borrower completes the project as intended in the original proposal.

3.8. Spotlight: Childcare Facilities

This section highlights several childcare facilities that the Equitable Wilmington CDFI Collaborative was able to support in 2022. In November 2022, the Equitable Wilmington CDFI Collaborative announced a \$215,000 loan from CDFI True Access Capital (including \$10,000 of the funding through PRO Neighborhoods funds) to **Subcool Properties**, serving 12 children in Wilmington's Northeast neighborhood. This loan allowed Subcool Properties, a Black-owned business, to make improvements to his property in order to lease the commercial space to the family-based daycare. Improvements include landscaping, structuring, plumbing and electrical work, carpeting and flooring, roofing, and window installation.

In November 2022, the Collaborative announced a \$500,000 loan from True Access (including \$50,000 of the funding through PRO Neighborhoods funds) to **ARK Learning Center**, allowing them to open a third location at 2800 Northeast Blvd., in Wilmington's Northeast neighborhood. This loan allowed ARK Learning Center to purchase and renovate the 7,500 square foot property, increasing their operating capacity by adding 150 children, now serving a total of 380 children. This increase in capacity that provides a positive benefit by expanding access to childcare within the community and helps strengthen a Black-owned business. A portion of the building will also be used to host events.

The ARK Learning Center's mission is to provide quality early childhood and youth development services as well as be an important resource for families. ARK provides an exceptional educational experience to every child to prepare them for school. With a focus on strong social skills and global awareness through age-appropriate activities, ARK offers a wide variety of programs giving children an opportunity to grow in the areas of education, arts, and the community around them. ARK's philosophy includes providing a nurturing environment that fosters each child's self-identity as well as supporting families and their needs with exposure to cultural and enrichment programming to enhance each child's learning opportunities. The establishment of a top-rated childcare facility serves as a resource that helps to alleviate the inequities faced by Wilmington's Northeast neighborhood and the burdens of low-income households.

According to a 2021 national 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 in Wilmington is \$45,000, and the median income in the Northeast is just under \$31,000, it is clear that local residents

are spending more than they can afford.⁷ 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.⁸

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 Wilmington 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.

3.9. Spotlight: Affordable Housing Preservation

Amala Way 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 play an important role in signaling new investment while protecting affordability for longtime residents. In particular, mixed-use developments like the Lacy Redevelopment 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

Cinnaire 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 consists of four units. 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.

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

⁸ [This is how much child care costs in 2021](#)

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.

3.10. Spotlight: NERDiT NOW

NERDiT NOW, is small tech company focused on cultivating a technology ecosystem that trains, donates, repairs, and recycles IT to close the digital divide and inspire the next generation of technologists and community-driven entrepreneurs. The company was developed with sustainability, environmentalism, and community in mind. Not only do they repair certain pieces of technology, but they also resell, donate, and recycle old technology. 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. Through the Equitable Wilmington CDFI Collaborative, NERDiT NOW was able to expand its operations – and in turn its impact – in a more central location in Wilmington.

Fulfilling a longstanding goal of its founder, NERDiT NOW opened in Wilmington’s Riverside neighborhood, where he grew up. They cut the ribbon on their new headquarters at 3030 Bowers St. in December 2022 and have plans to grow by 50-75 jobs over the next three to five years. They ultimately will have the option to purchase the building, but with the support of the PRO Neighborhoods financing, NeighborGood Partners was able to finance fit out and equipment purchases to develop required security procedures and scale up their electronic recycling business.

“NERDiT CARES trains people and NERDiT NOW creates second chance employment opportunities, and that is the model we want to replicate with every business in the state of Delaware.”

Renata Kowalczyk, President and CEO of the Wilmington Alliance

Moving the company from Stanton, Delaware, to Wilmington allowed NERDiT NOW to expand from 5,000 square feet of retail to nearly ten times as much space. The 47,000-square-foot warehouse across from East Side Charter is now NERDiT NOW’s recycling headquarters. By locating in this area, they become a key player in supporting REACH Riverside in their goals to redevelop the Northeast neighborhood. The new facility will enable them to build out and scale their financial model for electronic recycling as the only provider in the State of Delaware. Their goal is to recycle 300,000 units annually within a few years which will divert more than 8 million pounds of electronic waste from landfills, refurbish 17,000 devices per year and donate at least 1,000 devices per year through NERDiT CARES.

NERDiT CARES will open its training facility in Downtown Wilmington in the Spring of 2023 in a building along West 9th Street financed by NeighborGood Partners and True Access Capital. This facility will be able to train 100-200 participants per year in quarterly cohorts. They will be working with minority

youth participants and will provide training and certifications in electronics repair. NERDiT NOW will be able to hire some graduates but all other graduates will have required certifications to work in electronic repair which is a fast-growing industry.

3.11. Spotlight: Equitable Wilmington Capacity Building Fund

Capacity building is an area of strategic focus for the Collaborative. In 2021, the Equitable Wilmington CDFI Collaborative awarded eight grants, totaling \$100,000 to 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. The fund was specifically designed to provide grants that would strengthen skills, infrastructure, management and governance of their organization, so that their ability to provide services is increased, thus building their capacity to do impactful work in the focus neighborhoods.

Recipients of the grant were Be Ready CDC, Collaborate Northeast (Delaware Community Foundation Fiscal Sponsor), Cornerstone West CDC, Delaware Community Reinvestment Action Council, Habitat for Humanity of New Castle County, Latin American Community Center, REACH Riverside, and Wilmington Neighborhood Conservancy Land Bank. 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. One recipient was provided an extension, and the flexibility Equitable Wilmington provided them with allowed them the ability to generate a worthwhile plan for implementation.

Latin American Community Center (LACC)

The early childhood education department of the Latin American Community Center received a grant from the Equitable Wilmington CDFI Collaborative. The goal was to assist staff members who were seeking to finish degree programs or improve their English language skills for career advancement. The funds that the Collaborative made available for LACC provided a kickstart that has helped the organization focus on providing professional development opportunities for their staff.

“Thanks to the grant, several of their staff were motivated to return to school to finish a degree or enroll in classes for English as a Second Language. LACC has one teacher who started her associate degree with funds from the grant and has continued with funds available from the state of Delaware. LACC also had two staff members who completed online ESL courses and improved their communication skills in English to move into new positions. Three staff members who began the Del Tech ESL course progression with the capacity-building funds and two who are still enrolled and continuing their pursuit to master reading, writing, and speaking in English so that they can advance in their careers and enroll in degree programs.”

Latin American Community Center (LACC)

Collaborate Northeast (CNE)

Collaborate Northeast requested the Equitable Wilmington CDFI Collaborative Capacity Building Fund to develop a funding plan and grant applications to fund the backbone organization.

The work accomplished with this award resulted in CNE leveraging the \$15,000 award into over

\$130,000 in funding and technical support from Healthy Communities Delaware. Additionally, the funding obtained allows CNE to leverage \$67,000 in smaller grants that created initiatives that can be moved forward with contract consultants. CNE is grateful for the Capacity Building Fund grant and what it has allowed the organization to accomplish in establishing a backbone collective impact platform for the community.

“CNE is so grateful for the Capacity Building Fund grant and what it has allowed the organization to accomplish in establishing a backbone collective impact platform for the community.”

Collaborate Northeast (CNE)

“Habitat for Humanity of New Castle County (HFHNCC) is grateful to have been a recipient of the Equitable Wilmington CDFI Capacity Building Fund grant. Not only did it help us increase and improve the capacity to evaluate and measure the impact of our Neighborhood Revitalization Program, but it also provided valuable insight into our Affordable Homeownership and Critical Home Repairs programs.”

HFHNCC

Habitat for Humanity of New Castle County (HFHNCC)

Habitat for Humanity of New Castle County (HFHNCC) was another recipient of a Capacity Building Fund grant from the Equitable Wilmington CDFI Collaborative. The grant was helpful for increasing their capacity to measure the impact of their Neighborhood Revitalization Program. The funding also helped to provide valuable insight into their Affordable Homeownership and Critical Home Repairs programs through a partnership with AmeriCorps.

AmeriCorps Public Allies serve in full-time apprenticeship positions at local nonprofits, where they create, improve and expand services that address issues including youth development, education, public health, economic development, and the environment. In addition, Public Allies participate in a rigorous leadership development program, engage in community-building activities, contribute to team service projects, and receive individual coaching to support their professional development during their apprenticeship.

Figure 3.2: Habitat for Humanity of New Castle County (HFHNCC) Installing Ring Doorbells Throughout Northeast Wilmington



Source: HFHNCC (2022)

The award provided funding to host Erica Heiman, an AmeriCorps Public Ally. Erica served as the Evaluation Coordinator for HFHNCC’s Neighborhood Revitalization work in Wilmington’s Eastside and Westside neighborhoods, convening quarterly community meetings, used that information to create action plans to address them, developed surveys, and compiled evaluation data. Through this process, HFHNCC learned more about the safety and security needs of their residents and the need for usable public spaces for their children and families. They installed over 300 Ring Doorbells to address neighborhood safety needs which helped to monitor and track crime and worked with residents of the Northeast community to create an action plan for Johnston Park, which included updating playground equipment, and installing picnic and workout equipment.

3.12. Spotlight: Solomon’s Court

Solomon’s Court is a great example of joint participation among the Collaborative partners and how those efforts were able to leverage additional dollars. Solomon’s Court is also an example because of the participation of neighborhood groups interested in seeing the site as a catalyst for revitalizing West Side Wilmington. 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 areas like organizational design, technology upgrades, and technical assistance provision.

The Equitable Wilmington CDFI Collaborative is supporting this project in a variety of ways. True Access Capital developed the concept and feasibility, vetted potential commercial tenants, and offered technical assistance to prospective tenants for the commercial space and grant funding for the commercial tenants. NeighborGood Partners provided technical assistance for organizational capacity to Be Ready CDC and a bridge loan that enabled the CDC to close on a half dozen sources of financing that initiated the project. Cinnaire served as a co-developer to support the construction completion of Solomon's Court.

Figure 3.3: Equitable Wilmington CDFI Collaborative Announcement at Solomon's Court



Source: Cinnaire (2022)

The Equitable Wilmington CDFI Collaborative's Capacity Building Fund grant enabled Be Ready CDC to hire a consultant to help build their capacity in real estate development while continuing to strengthen the organization. As a community-based organization, the technical assistance provided by this grant was essential in finishing construction and starting lease-up of Solomon's Court Phase I while doing pre-development for Phase II. Be Ready CDC's long-term vision is ongoing stewardship of this community.

In the late 2000s, Be Ready CDC acquired almost a solid block of vacant and deteriorating buildings on W. Fourth St. to develop Solomon's Court, a three-story building with first floor commercial space and second and third floor accessible and affordable apartments. Solomon's Court will transform the 1500 block of W. 4th Street into an anchor development that will reduce vacancy, increase affordable rental housing, support the development of 4th St. into a mixed-use commercial corridor, and promote local economic development.

Be Ready CDC has divided the project into two phases: Phase I (1510 to 1514 W. 4th St.), currently under construction, and Phase II (1500-1508 W. Fourth St.).

Solomon's Court Phase I will be completed in early 2023. Solomon's Court Phase I is creating ground floor commercial space (1,600 square feet) for businesses and six new affordable and accessible rental housing apartments. The ground floor will be leased to Cornerstone West CDC, which will move its headquarters there as well as operate a small business incubator. Solomon's Court Phase I has been supported with funding from Delaware State Housing Authority, the Federal Home Loan Bank of Pittsburgh, the Longwood Foundation, the Welfare Foundation, the Laffey-McHugh Foundation, WSFS Foundation, Crestlea Foundation, Bank of America, NeighborGood Partners, Healthy Communities Delaware, Wells Fargo, TD Bank, and Crystal Trust. Be Ready CDC will build on its relationship with Phase I lenders DSHA, NeighborGood Partners, and others to secure financing for Phase II.

Figure 3.3: Solomon's Court Under Construction



Source: Cinnaire (2022)

Solomon's Court Phase II will be linked with Solomon's Court Phase I through complementary design and functionality. Solomon's Court Phase II will create an additional 12 accessible and affordable rental units and 4,500 square feet of first floor commercial space. Four two-bedroom apartments will be designed and built specifically for residents with disabilities. The remaining eight units will be built following the principals of Universal Design, making each of the building's units visitable by individuals who might be wheelchair users. Be Ready CDC has been working on pre-development for Phase II, which will cost \$7.3 million. Be Ready has commitments from Delaware State Housing Authority (\$1.6 million), FHLBank Pittsburgh (\$500,000), the Delaware Bond Bill (\$500,000) and Healthy Communities Delaware (\$50,000).

In addition, Senator Chris Coons has secured a Congressional Appropriation request (\$2 million). Be Ready CDC has completed site acquisition, environmental clean-up (using Brownfield funding), and has a zoning permit. Their goal is to launch construction in the summer of 2023 and complete construction by the end of 2024.

When the project is fully completed, Solomon's Court will have created a total of eighteen accessible and affordable apartments and over 6,000 square feet of commercial space. Solomon's Court will help

"The Capacity Building Grant has helped us build an effective and sustainable organization so we can continue our vital work of building our community from within."

Pastor Margaret Moon-Taylor, Executive Director, Be Ready CDC

meet the goals identified by the community in the West Side Revitalization Plan, a neighborhood plan created with the input of over 650 residents. This catalyst project is an example of the strength in collaboration for the CDFIs, especially as they supported Be Ready CDC to bring Solomon's court to life in memory of Pastor Lottie's legacy.

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 subsequent two years 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. This third and final year has attempted 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. The Collaborative is continuing to explore ways to work together beyond the PRO Neighborhoods program, but their ongoing success as a formalized Collaborative will depend on securing the funding and resources to maintain this structure.

Figure 4.1: The Financial World Association, Eastside Wilmington



Source: NeighborGood Partners (2020)

4.1. Continued Progress

As outlined in Section 3 of this report, the Equitable Wilmington CDFI Collaborative has made substantial progress toward its goals. In 2022, it continued to expand its marketing and branding efforts, started safely shifting back to in-person meetings for the Community Advisory Committee, and continue to make substantial progress on their goals. Since the start of the program the Collaborative has been able to:

- Issue eight Capacity Building grants to local organizations and nonprofits.
- Issue more than \$8.5 million in community facilities loans to nine non-profit borrowers, to support investments with a combined total project cost of \$15.9 million.
- Issue \$858,000 of \$1,020,000 available for small business and/or microloans from the PRO Neighborhoods program, with another \$330,000 in the pipeline approved with closing expected in early 2023.
- 17 small business and/or micro loans to 16 borrowers, with a combined dollar amount of \$858,000 originated.
- Issue more than \$8,000,000 in commercial loans to five developers, to support investments with a combined total project cost of \$11,900,000.
- Issue four loans totaling \$2,116,000 and two grants totaling \$274,000 for the preservation of 19 residential units, combined.
- Purchase 2-year access to the PolicyMap Enterprise License for up to 30 community partners.
- Further established key governance components of the Collaborative to help distinguish as its own distinct entity, including contracting Strategy Arts to serve as the dedicated project manager, forming a community advisory committee, and launching a Collaborative-specific marketing and branding campaign.

4.2. Key Takeaways from 2022

Equitable Wilmington CDFI Collaborative faced unforeseen challenges with the pandemic, forcing the Collaborative and its partners to pivot and respond to evolving needs. In its third year, the Collaborative has been able to build on the foundations that it laid to continue to make progress that might allow them to continue to maintain and grow the Collaborative.

Learning Curve

Each year was a learning year for the Collaborative. These three CDFIs knew each other quite well prior to the grant and were already in the habit of meeting occasionally and working together on loan opportunities. The more formalized structure of the Collaborative represented a more intensive form of cooperation, which required work to fulfill and, at times, had its challenges.

Each CDFI is a unique organization with its own internal structure and own processes. It took work in the first year of the Collaborative for each CDFI to better understand the structure and processes of the others and to build the trust necessary for a successful partnership. While the group met periodically prior to the PRO grant award, formalizing a monthly meeting schedule increased their interactions, helping with communication and transparency between the CDFIs. Adding institutional structure was also a learning curve with the creation of a new Project Manager role and figuring out how to develop the Equitable Wilmington CDFI Collaborative brand identity in a way that complements the existing brand identities of the three CDFIs.

While each stage of growth for the Collaborative presented new learning opportunities, ultimately, the Collaborative proved to be powerful in activating more projects and doing them more effectively due to the collective strengths of each member and the power of acting as one entity.

Brand Building

Building a brand is a complex process that goes beyond a logo and tagline, requiring time, dedication, resources, constant management, and ongoing evolution. Each of the three Collaborative members has a longstanding presence in Wilmington, and had to work to maintain their unique identity, while also educating the community on the Collaborative and how these three CDFIs were working together. Many people who already had a relationship with one of the individual CDFIs continued to talk about the work of the Collaborative through the lens of one individual CDFI.

The PRO grant gave the Collaborative the necessary resources to begin to build a shared identity. The Collaborative was able to develop a logo, brand identity, build a shared website (<https://equitablewilmington.org/>), set up a streamlined communication process for submissions, and highlight news stories and events from the Collaborative partners. The Collaborative laid a strong foundation to build upon, even as the pandemic made it more challenging to find opportunities to connect with community to further strengthen the brand. Whether or not the Collaborative continues in this formal partnership beyond the PRO grant, there is a strong foundation to continue collective work in future years.

Resource Requirements

Maintaining a formalized Collaborative takes a lot of resources. The three-year commitment of PRO funds allowed the Collaborative to invest in the infrastructure needed to form a successful partnership and market their presence as a collaborative entity. The PRO program offered funding that supported a project management for the Collaborative, as well as funding to support branding and marketing efforts.

There is clearly a commitment from the partners of the Collaborative to continue to work together beyond the three-year PRO program at a level that is higher than their collaboration pre-grant. Whether or not these efforts rise to the same level as they have during these last three years will depend on leveraging resources to play at that level. The ongoing formalized structure and marketing efforts will depend on their ability to continue to secure funding collectively that supports the Collaborative. Regardless of fundraising outcomes, the three CDFIs are committed to continue working together, meeting regularly, sharing opportunities, and maintaining the Community Advisory Committee.

4.3. Revisiting the Takeaways from 2020 and 2021

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

Open Lines of Communication

The formalization offered through the Equitable Wilmington CDFI Collaborative has facilitated monthly Collaborative meetings that are central to the work that the three CDFIs are doing. These meetings have continued over the past three years, providing a regular venue for members to connect, share updates, and refer business. Similarly, the Community Advisory Committee brings in additional perspectives, providing a direct line of communication with the organizations that are directly connected to the community that the Collaborative is working with, along with other key stakeholders in Wilmington. The

Committee's structure facilitates regular feedback, ensuring the work of the Collaborative is meeting the needs of the communities it serves.

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 and dedicate additional resources that would not otherwise have been possible. This has included a project specialist (based in Cinnaire) who dedicates a portion of their time to project management supporting the Collaborative.

An Integrated and Flexible Approach to Support

An important lesson from these past few years was that businesses, developers, and community organizations have a complex set of needs that are closely entwined with factors outside of their direct control. One manifestation of this is through flexible loan terms, conferred within a relationship between lender and borrower. When overall objectives are aligned, it is more possible for borrowers 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 with an integrated approach to lending.

Sustained Impact

A half day retreat in September 2021 with Strategy Arts allowed the Collaborative to conduct a SWOT analysis, formalize its decision-making processes, and flesh out what sustainability of the Collaborative looks like after the PRO Neighborhood grant period ends. The Collaborative now has a governance document that can support potential ongoing work and goals of Equitable Wilmington beyond PRO. While the PRO Neighborhoods grant lasts three years, there are occasions where activities take longer to develop. The governance document is an essential part of supporting the partners in their continued collaborative efforts beyond PRO.

Different Focus Areas Toward a Common Goal

The three CDFIs that make up the Equitable Wilmington CDFI Collaborative each have their own areas of focus when operating under the Equitable Wilmington CDFI Collaborative structure. The 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 Equitable Wilmington CDFI 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.

4.4. Looking Forward to Beyond PRO Neighborhoods

While this third year marks the end of the PRO Neighborhoods grant period, Equitable Wilmington CDFI 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 the PolicyMap tool that will allow the Collaborative and its community partners better evaluate opportunities and enhance the planning and decision-making process. Additionally, the CDFI members are excited to expand beyond the three focus neighborhoods delineated in the PRO initiative to support more Wilmington neighborhoods and deepen impact.

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. Jumpstart Wilmington will continue support additional trainees, beyond the 120 people who have already participated in the program.

Three years of working together under the PRO initiative, starting from a base of already having worked well together, has led to some great progress under the grant, and is likely to lead to continued collaboration after the grant. How much collaboration and how formally the three CDFIs will work together will likely depend on the availability of funding to support the continued partnership.

4.5. Final Thoughts

The Equitable Wilmington CDFI 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 COVID-19 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 being focused on 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 focus 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 three 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 the fallout absent the funding and coordinated effort made possible by the PRO Neighborhoods grant. The Collaborative partners have been very successful in working together to ensure implementation of the program over the past three years, leveraging \$34.9 million, which is \$5.4 million over the metric goal.

As the Collaborative wraps up 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 PRO

Neighborhoods program upon which it can build, to continue to work with small businesses in the focus neighborhoods to survive and thrive. All three members of the Collaborative are committed to continuing to work together, though the level of collaboration will likely depend on the resources available to support the Equitable Wilmington CDFI Collaborative.

5. Appendices

Appendix A: Demographic Background Information

Overview

This appendix provides information on the composition of households within Equitable Wilmington CDFI 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 2021, the median household income in Wilmington was \$55,136, 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/a/x and foreign-born populations encompass 10 and 6 of the total population respectively.

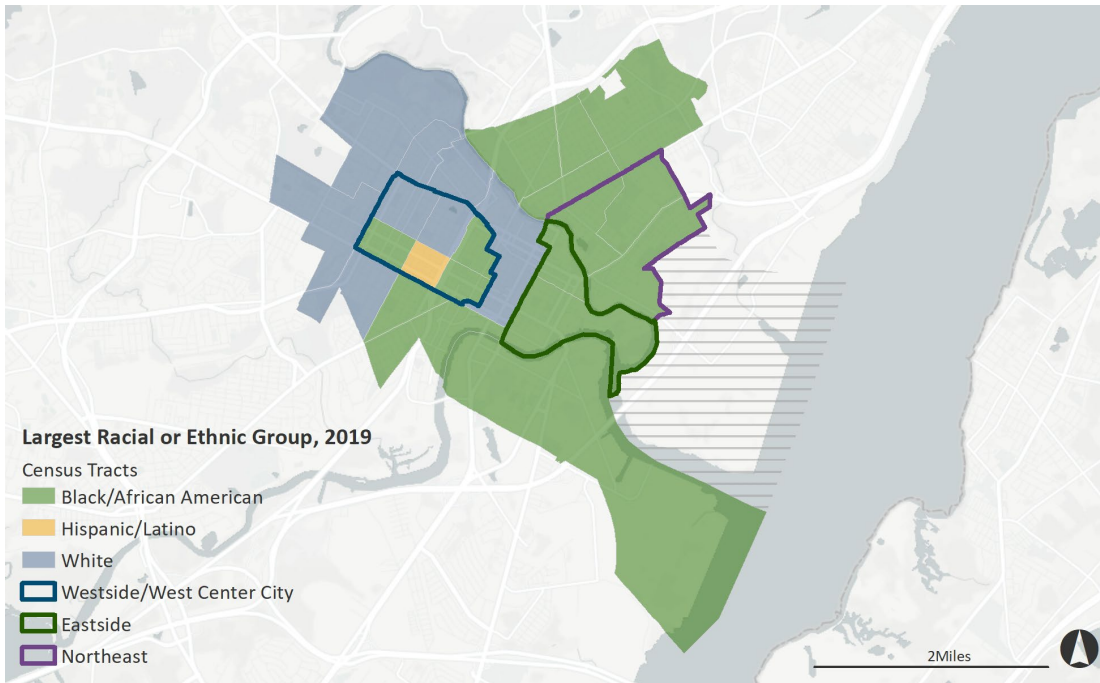
Figure A.1 – Demographics, City of Wilmington and Focus Areas, 2015 and 2019⁹

Measure	2019				Change Since 2015			
	Wilmington	Westside	Eastside	Northeast	Wilmington	Westside	Eastside	Northeast
Total Population	70,644	13,416	6,171	9,634	-1.3%	-8.9%	+11.5%	+0.1%
Area (mi ²)	11.967221	0.820852	0.717943	1.022473	-29.0%	+0.5%	0.0%	-0.1%
Population Density (people/mi ²)	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)

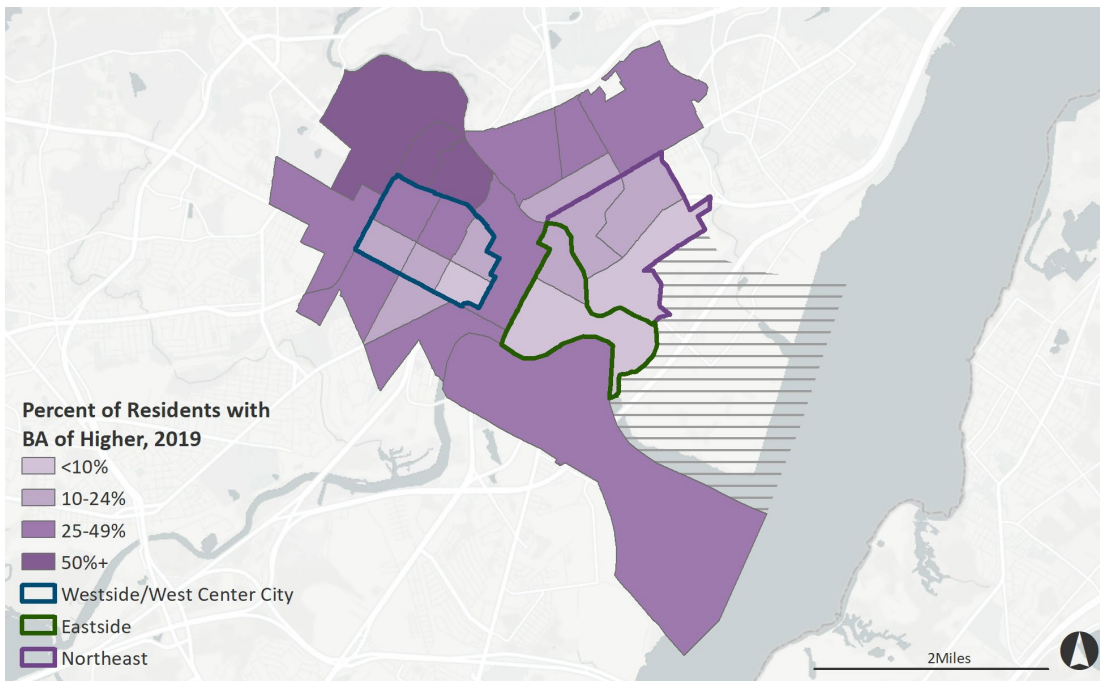
⁹ Note that the racial categories represent race by ethnicity. Black, for example, represents Non-Hispanic Black. As such, all categories add up to 100 percent.

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



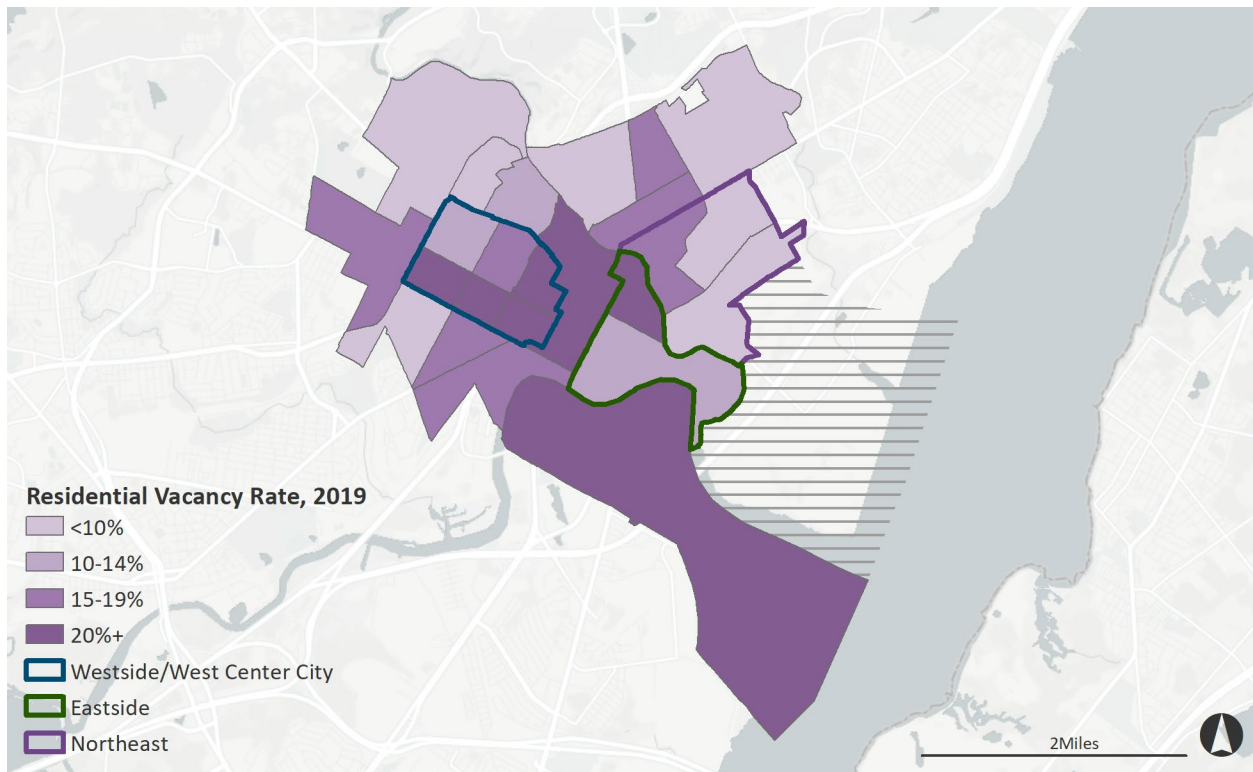
Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

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/a/x 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/a/x 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/a/x 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, Eastside, Westside/West Center City, 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 CDFI 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 Neighborhoods¹⁰

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%
Total	30,064	33,186	5,708	6,449	2,085	2,395	2,977	3,552

Source: Longitudinal Employer-Household Dynamics (2019)

¹⁰ 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 Neighborhoods¹¹

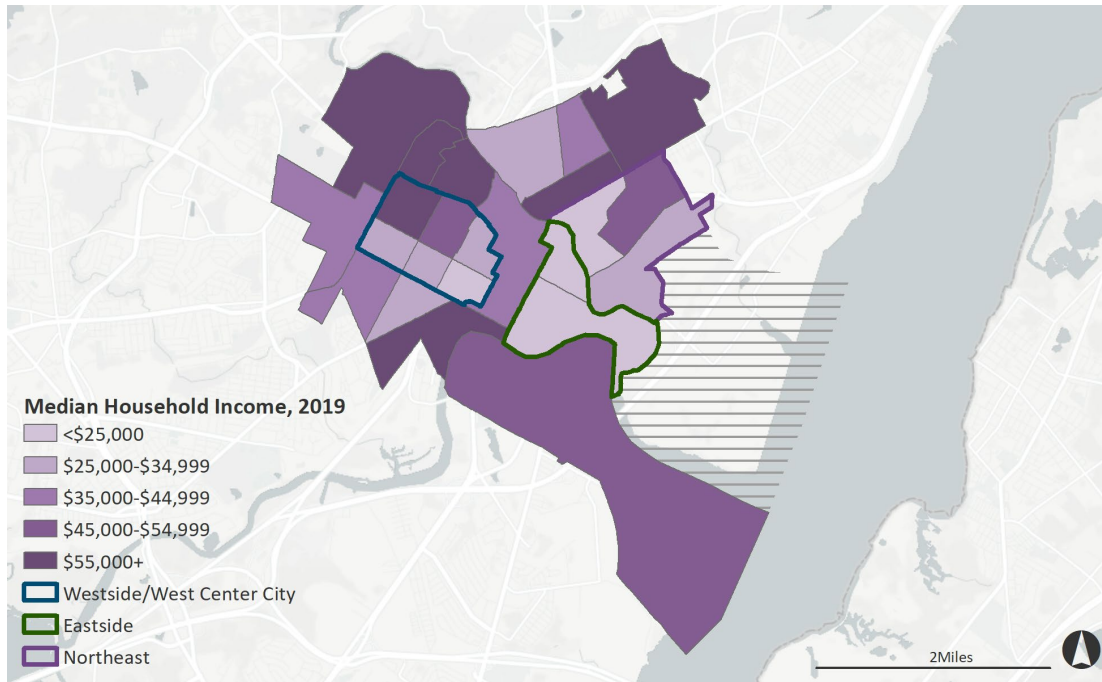
Industry	Wilmington		Westside/West Center City		East		Northeast	
	2010	2019	2010	2019	2010	2019	2010	2019
Agriculture, Forestry, Fishing and Hunting	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	1.4%	1.3%	0.1%	0.0%	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%
Total	51,690	52,447	3,482	7,048	2,024	3,038	1,564	1,997

Source: Longitudinal Employer-Household Dynamics (2019)

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

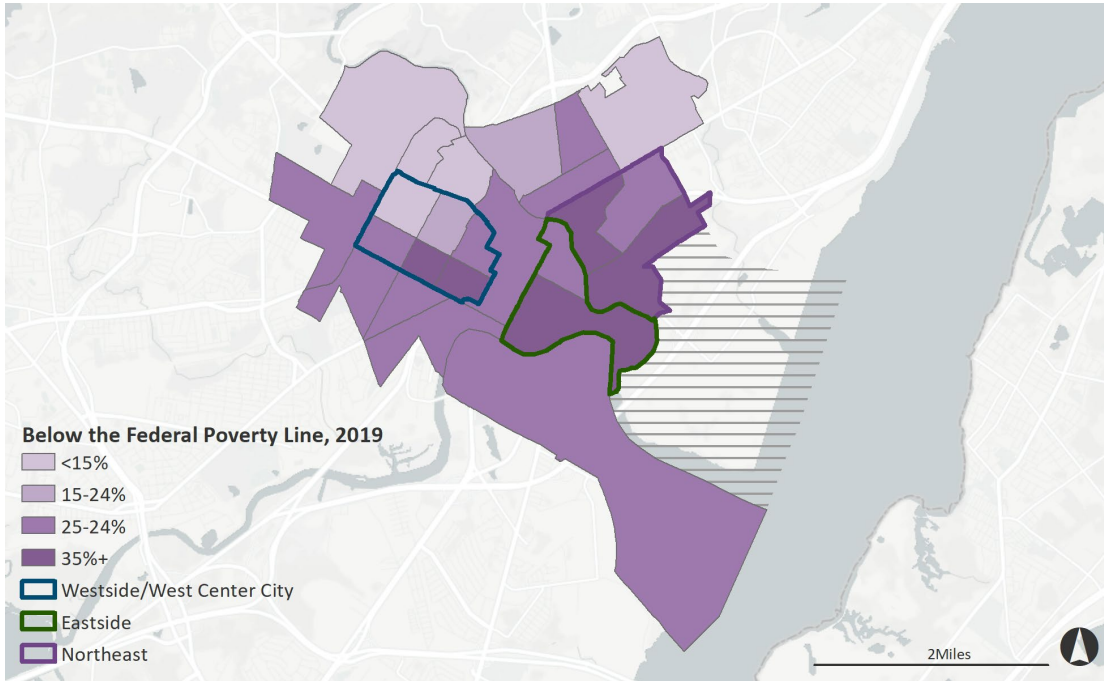
As described in Appendix A, the three focus neighborhoods experience poverty at a higher rate than Wilmington as a whole. Poverty, income, unemployment, and jobs are of course all closely interconnected. Figures B.3, B.4, and B5 illustrate this dynamic.

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



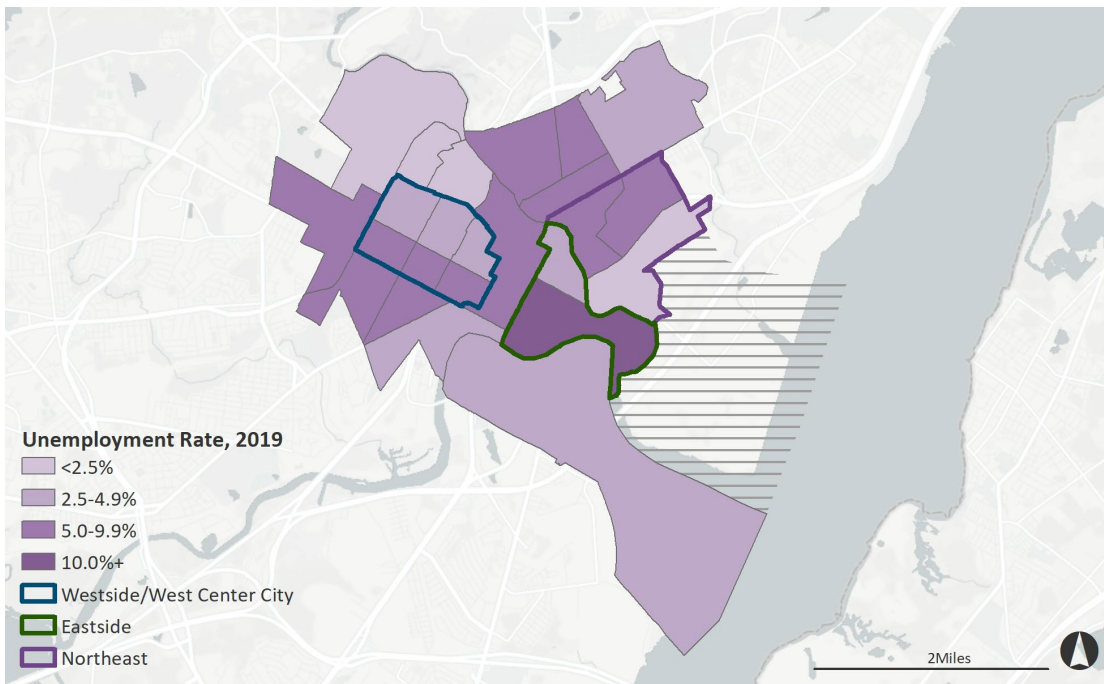
Source: American Community Survey (2015-2019), Econsult Solutions, Inc. (2022)

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

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	Leakage/ Surplus Factor	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, Westside/West Center City



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, Eastside

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

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

Figure B.11 – Leakage Surplus Factor by Subsector, Eastside



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).

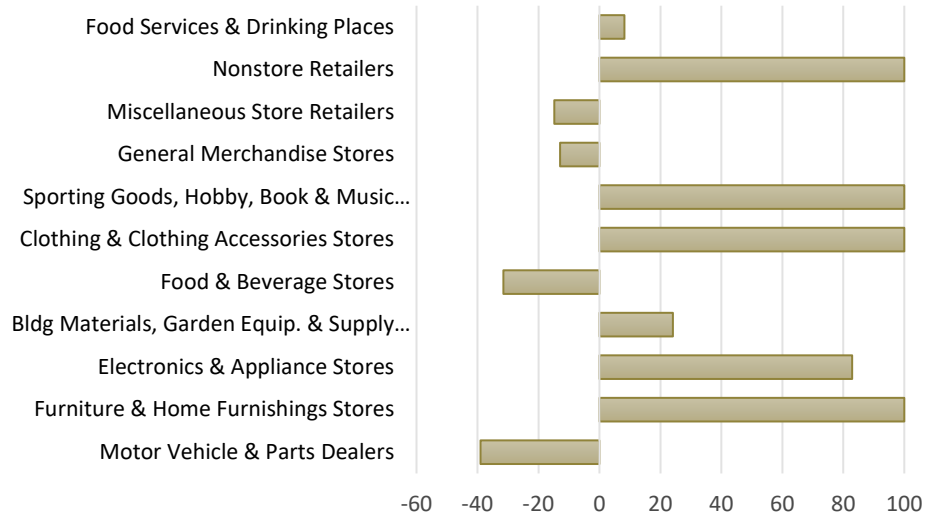
Figure B.12 – Retail Supply and Demand Detail, Northeast

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
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

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Leakage/ Surplus Factor	Number of Businesses
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)

Figure B.14: Industries in the Focus Neighborhoods as of June 2020

NAICS	Industry	Westside/West	Eastside	Northeast	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
Total		248	73	81	402

Source: Google Maps (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.

¹² This data was collected for a market study in June 2020, using a slightly different neighborhood boundary for Northeast Wilmington.

Appendix C: Home Lending Background Information¹³

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 2021, financial institutions loaned over \$370 million in home mortgages to borrowers in Wilmington (a 17.6 percent increase from 2020). White borrowers received over one-and-a-half times the total loan amount received by Black borrowers at \$217.4 million compared to \$84.6 million, despite comprising a smaller portion of the total households in Wilmington. Black and Latino/a/x borrowers have the highest denial rate of any demographic (15.4 percent and 12.4 percent, respectively) however the disparity faced by Black borrowers is greater since they occupy a much larger share of households. When financial institutions issue home loans to Black and Latino/a/x borrowers, those loans are more likely to be subprime loans, at 22.2 and 17.0 percent respectively, than the loans issued to White borrowers (4.2 percent).

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

Measure	White	Black	Asian	Latino	All Applicants
Total Households	11,869	15,752	511	2,419	29,708
Total Applications	1,221	999	59	160	3,345
Application Denials	85	154	2	20	352
Application Denial Rate	7.05	15.4%	3.4%	12.4%	10.5%
Total Loans	865	499	36	94	1,718
Prime Loans	828	388	34	78	1,538
Subprime Loans	37	111	2	16	180
Total Loan Amount (\$M)	\$217.4	\$84.7	\$8.0	\$15.5	\$371.6
Loans per 1,000 Households	72.9	31.7	70.5	38.9	57.8

Source: FFIEC Home Mortgage Disclosure Act (2021), 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 16.6 percent, while White borrowers face a denial rate of 5.3 percent. Nearly a quarter of the loans financial institutions lent to Black borrowers are subprime.

¹³ The most up to date FFIEC Home Mortgage Disclosure Act data is for the year 2020

Figure C.2 – Key Home Lending Metrics, Westside/West Center City

Measure	White	Black	Asian	Latino	All Applicants
Total Households	1,977	2,902	69	981	5,315
Total Applications	169	181	7	43	537
Application Denials	9	30	-	6	60
Application Denial Rate	5.3%	16.6%	0.0%	14.0%	11.2%
Total Loans	118	91	5	23	267
Prime Loans	109	69	5	18	230
Subprime Loans	9	22	-	5	37
Total Loan Amount (\$M)	\$25.0	\$14.9	\$1.0	\$2.8	\$49.1
Loans per 1,000 Households	59.7	31.4	72.5	23.4	50.2

Source: FFIEC Home Mortgage Disclosure Act (2021), Econsult Solutions, Inc. (2022)

Neighborhood Focus: Eastside

Because nearly 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 27.6 percent (a 4.5 percent decrease from previous). Black borrowers from Eastside receive only 15.8 home mortgages for every 1,000 households, the lowest of any focus neighborhood.

Figure C.4 – Key Home Lending Metrics, Eastside

Measure	White	Black	Asian	Latino	All Applicants
Total Households	140	2,217	22	92	2,498
Total Applications	7	76	1	8	125
Application Denials	1	21	-	-	28
Application Denial Rate	14.3%	27.6%	-	-	22.4%
Total Loans	4	35	1	6	53
Prime Loans	3	25	-	5	40
Subprime Loans	1	10	1	1	13
Total Loan Amount (\$M)	\$0.9	\$4.2	\$0.1	\$0.8	\$6.7
Loans per 1,000 Households	28.6	15.8	45.5	65.2	21.2

Source: FFIEC Home Mortgage Disclosure Act (2021), Econsult Solutions, Inc. (2022)

Neighborhood Focus: Northeast

In the Northeast, after taking into account the proportion of applications submitted by each race, by far suggests that Black borrowers suffer the highest denial rate. However, the denial rate for Black borrowers in the Northeast neighborhood has decreased by 3.5 percent in comparison to 2020 despite a 48 percent increase in total loan applications.

Figure C.5 – Key Home Lending Metrics, Northeast

Measure	White	Black	Asian	Latino	All Applicants
Total Households	280	2,276	44	117	2,693
Total Applications	18	118	5	7	232
Application Denials	4	18	1	1	36
Application Denial Rate	22.2%	15.3%	20.0%	14.3%	15.5%
Total Loans	9	60	3	4	96
Prime Loans	9	43	3	3	75
Subprime Loans	-	17	-	1	21
Total Loan Amount (\$M)	\$1.6	\$9.3	\$0.5	\$0.5	\$14.8
Loans per 1,000 Households	32.1	26.4	68.2	34.2	35.6

Source: FFIEC Home Mortgage Disclosure Act (2021), 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 especially in the West/West Center City and Northeast neighborhoods. Additionally, financial institutions are more likely to lend subprime mortgages to Black and Brown borrowers than to 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.¹⁴

Citywide Bank Branch Locations

In 2022, 36 bank branch locations are located in the city of Wilmington. These banks held over \$212 billion in deposits (a slight increase from 2021). 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.

¹⁴ 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

Bank Branch	Bank Branches	Sum of Deposits as of June 30th, 2021 (\$M)
PNC Bank, National Association*	1	\$127.3
Wilmington Savings Fund Society, FSB*	1	\$66.0
Artisans' Bank	1	\$36.0
Bank of America, National Association	2	\$2,293.0
Barclays Bank Delaware	1	\$25,561.0
Capital One, National Association	1	\$176,840.8
Citizens Bank, National Association	3	\$381.8
First Republic Bank	1	\$0.0
HSBC Trust Company (Delaware), National Association	1	\$0.5
JPMorgan Chase Bank, National Association	2	\$219.4
Manufacturers and Traders Trust Company	4	\$2,372.1
Morgan Stanley Private Bank, National Association	1	\$0.0
PNC Bank, National Association	5	\$1,325.2
Santander Bank, N.A.	1	\$25.0
TD Bank, National Association	1	\$307.2
Wells Fargo Bank, National Association	1	\$146.3
Wilmington Savings Fund Society, FSB	2	\$2,857.8
Wilmington Trust, National Association	2	\$0.9
Total	32	\$212,560.3

Source: FDIC Summary of Deposits (2022)

Neighborhood Focus: Westside/West Center City

There are two bank branches in the Westside/West Center City. These two banks held a total of \$193.3 million in deposits in 2022. 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

Bank Branch	Bank Branches	Sum of Deposits as of June 30th, 2020 (\$M)
PNC Bank, National Association	1	\$127.3
Wilmington Savings Fund Society, FSB	1	\$66.0
Total	2	\$193.3

Source: FDIC Summary of Deposits (2022), 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 Information¹⁵

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, 4,151 loans with an aggregate value of \$180.0 million were issued to small businesses in Wilmington in 2021. Of these loans, 1,189 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

Geography	Total Loans to Small Businesses	Total Loan Amount to Small Businesses (\$M)	Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million
Westside/West Center City	347	\$10.6	101
Eastside	115	\$8.8	34
Northeast	222	\$9.4	69
Rest of Wilmington	3,467	\$151.2	985
Total	4,151	\$180.0	1,189

Source: FFIEC Community Reinvestment Act (2021), Econsult Solutions, Inc. (2022)

Neighborhood Focus: Westside/West Center City

347 loans with an aggregate value of \$10.6 million were originated to small businesses in the Westside/West Center City neighborhood in 2021. Of these loans, 101 were originated to small businesses with annual revenues of less than \$1 million. In relation to 2020 lending patterns, the total amount lent to small businesses decreased by 3.6 percent while the total amount of loans to small businesses with less than \$1 million in annual revenues increased by 12 percent. .

¹⁵ 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

Geography	Total Loans to Small Businesses	Total Loan Amount to Small Businesses (\$M)	Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million
Westside/West Center City	347	\$10.6	101
Total	347	\$10.6	101

Source: FFIEC Community Reinvestment Act (2021), Econsult Solutions, Inc. (2022)

Neighborhood Focus: Eastside

115 loans with an aggregate value of \$8.8 million were originated to small businesses in the Eastside in 2021. Of these loans, 34 were originated to small businesses with annual revenues of less than \$1 million. In relation to 2020 lending patterns, the total amount lent to small businesses decreased by 5.3 percent while total loans to small businesses with less than \$1 million in annual revenues increased by approximately 31 percent.

Figure E.3 - Small Business Lending Activity, Eastside

Geography	Total Loans to Small Businesses	Total Loan Amount to Small Businesses (\$M)	Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million
Eastside	115	\$8.8	34
Total	115	\$8.8	34

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

Neighborhood Focus: Northeast

222 loans with an aggregate value of \$9.4 million were originated to small businesses in the Northeast in 2021. Of these loans, 69 were originated to small businesses with annual revenues of less than \$1 million. In relation to 2020 lending patterns, the total amount lent to small businesses increased slightly by 5.6 percent while total loans to small businesses with less than \$1 million in annual revenues increased by 30 percent.

Figure E.4 - Small Business Lending Activity, Northeast

Geography	Total Loans to Small Businesses	Total Loan Amount to Small Businesses (\$M)	Total Loans to Small Businesses with Annual Revenues of Less Than \$1 Million
Northeast	222	\$9.4	69
Total	222	\$9.4	69

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.¹⁶ 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.¹⁷

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 4,151 small businesses have received loans totaling nearly \$180 million to meet their credit needs (an approximate 75 percent and 6 percent increase from 2020 respectively). Within the three focus areas, the trend has been that the majority of loans have been distributed in the Westside/West Center City, where the majority of small businesses are located showcasing consistent investment patterns since 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.

¹⁶ 2020 Small Business Profile. U.S. Small Business Administration.

¹⁷ 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.