



# Community Reinvestment Project

City of Tacoma | Community and Economic Development

**Economic Development Committee**  
**January 14, 2025**

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## Community Reinvestment Project Overview



The Washington State Department of Commerce's Community Reinvestment Project (CRP) is a community-designed plan to uplift communities disproportionately harmed by the Nixon-era war on drugs.

An investment of \$200 Million is expected to generate up to \$1.6 billion in economic benefits.

The City of Tacoma was selected through a competitive process to distribute \$4 million through the Blended Capital Investments program.

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## City of Tacoma CRP Programs



The \$4 million total allocation will support accessible capital products targeting businesses and communities harmed by the War On Drugs through two loan and two grant programs.

<p style="text-align: center;"><b><u>Loan Programs</u></b></p> <p><b>Uplift Loan</b></p> <ul style="list-style-type: none"> <li>• Collateral-free loans up to \$100,000</li> </ul> <p><b>Accelerator Loan</b></p> <ul style="list-style-type: none"> <li>• Loans up to \$1,000,000. Lack of collateral doesn't preclude eligibility</li> </ul>	<p style="text-align: center;"><b><u>Grant Programs</u></b></p> <p><b>Commercial Rent Grant</b></p> <ul style="list-style-type: none"> <li>• 50% rent match to cover 1-year's rent up to \$25,000</li> </ul> <p><b>Commercial Assets Grant</b></p> <ul style="list-style-type: none"> <li>• Up to \$25,000 to purchase necessary assets for business growth/stability</li> </ul>
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## Funding Overview

**Accelerator Loans**

Fundamentally transform 1-2 long-standing businesses (5+ years in operation) through property/land purchase and/or significant investment into workforce, operations, and capacity.

**Asset Grant**

Support capital investments in equipment and infrastructure that can lead to long-term business growth and operational efficiency.



**Uplift Loans**

Serve existing businesses (3+ years in business) that are asset-limited and therefore can't access "smaller" loans to scale.

**Rent Grant**

Alleviate the high costs of commercial rent, allowing businesses to reallocate funds toward growth-driving activities.

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 **City of Tacoma CRP Goals** 

<b>Innovation and Flexibility</b>	<b>Economic Justice and Sustainability</b>
<b>Risk-Embracing Capital Products</b>	<b>Long-Term Impact</b>

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 **Target Audience** 

<b>Businesses with Potential for Growth</b>	<b>Legacy Businesses</b>
<b>Social Enterprises</b>	<b>Low- to Very Low-Equity Opportunity Areas</b>
<b>Accelerator/Incubator Graduates</b>	<b>Businesses in Over-Policed Areas</b>
	<b>Certified Firms</b>

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## Methodology and Strategy

### Loan Underwriting and Grant Scoring

- Developed risk-embracing underwriting metrics that have more flexible ratio benchmarks to meet those that are not served through traditional channels
- Including other metrics not related solely on financials including relevance to CRP mission, community impact, legacy business, etc.

### Community Outreach

- Series of informative workshops/info sessions
- Engagement with ecosystem partners

### Appropriating Negative Indicators

- Utilizing SOAP/SODA maps that were historically used to marginalize communities to benefit them instead.
- Utilizing the City of Tacoma Equity Index to prioritize businesses in areas of low-to-very-low economic opportunity.

### Technical Assistance

- \$100,000 available to contract with culturally competent small business TA providers to provide
  - Individualized one-on-one assistance
  - Help applicants submit competitive applications
  - Prepare financial documents
  - Conduct outreach

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## Timeline

### EOY 2024

- Contracting with Commerce
- TCRA request and Council Approval
- RFP/RFQ Development and Release
- Application development
- Ecosystem outreach and engagement

### FEB-MAY 2025

- Applications Close (March)
- Underwriting/scoring (Feb-March)
- Notifications (March/April)
- Closing (April)
- Disbursements (April-May)

### JANUARY 2025

- Application release
- Outreach and engagement with public

### JUNE 2025

- Grant Closeout

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# Economic Development Strategy

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