

**Proposal Summary**  
**Meeting Date: 11/15/2018**

**Greater Southwest Development Corporation**  
**Request # 115735**

<b>Project Title:</b>	Chicago Lawn Business Academy
<b>Duration:</b>	12 months
<b>Request Date:</b>	9/19/2018
<b>Request Amount:</b>	\$100,000
<b>Recommended Amount:</b>	\$125,000
<b>Program Area:</b>	Education\Continuing Education\Adult\Entrepreneurship
<b>Population Served:</b>	Economically Disadvantaged
<b>Type of Support:</b>	General Operating (GOS)
<b>Grantee Location:</b>	Chicago, IL
<b>Primary Contact:</b>	Mr. Ghian Forman

**Project Abstract**

The proposal is for resources to establish the Chicago Lawn Business Academy which includes a series of cohort classes and workshops for local businesses to learn financial understanding and tools, business planning and organization, online marketing engagement, and succession planning.

**Organizational Background**

Greater Southwest Development Corporation (GSDC) is a community development agency based in the City of Chicago whose primary goal is to improve the quality of life in southwest Chicago through entrepreneurial, commercial and residential real estate development, as well as a variety of business and residential resources. GSDC was formed in 1974 as a result of organizing efforts to hold banks accountable for the growing disinvestment in the Chicago Lawn neighborhood. At the time, the area was experiencing violent racial conflicts and GSDC's early efforts were largely focused on easing racial tensions and stimulating economic investment. Today, the Chicago Lawn neighborhood reflects a diverse community and GSDC's work over the years has contributed to the area's continued level of economic investment.

GSDC currently operates as a three-pillared organization:

- Commercial services – GSDC is a City of Chicago Neighborhood Business Development Center, a State of Illinois Small Business Development Center, and a City of Chicago Local Industrial Retention Center. As well GSDC functions as a chamber of commerce managing two Special Service Areas on southwest side of Chicago.
- Senior housing services - GSDC owns and manages 250 units of senior subsidized housing in three buildings
- Real estate development – GSDC actively seeks to retain, rehab and repurpose property for community good. In 2018 GSDC will retain, rehab and repurpose a vacant Chicago Public Schools building into a dormitory for City of Chicago Colleges – Kennedy King College campus.

**Annual Revenue Sources**

Grants	11%	Government	28%	Earned Income	59%
Fees	0%	Private Support	0%	Other	2%

**Finances**

	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	12/31/2018	12/31/2017	12/31/2016
<b>Revenues</b>	\$2,683,585	\$1,843,363	\$828,282
<b>Expenses</b>	1,807,257	1,318,208	1,035,248
<b>Surplus (Deficit)</b>	876,329	525,155	(206,966)
<b>Net Assets*</b>		\$33,231,953	\$24,431,694

\* Consolidated with subsidiaries created for the purpose of acquiring and rehabilitating various real estate investment entities.

**Program Description**

Chicago Lawn is a diverse community in the southwest side of Chicago. Of the community’s 55,000 residents 30% are under 18 years of age, 50% identify as Hispanic and 45% identify as African American. The un-employment rate is high (13-22% in Chicago Lawn and 7% citywide) and median household income is low (\$38,000 vs. citywide average of \$66,000). Chicago Lawn’s residents tend to rent verses own homes (of 18,500 units 37% are owner occupied, 47% are renter occupied and 16% are vacant) and its latest real estate development was a domestic violence shelter led by GSDC in 2016.

Chicago Lawn’s commercial corridors tell a similar story. With a projected 40% vacancy rate on commercial property verses the downtown retail vacancy rate of 6% midway through 2018, Chicago Lawn continues to need economic growth. Existing businesses in Chicago Lawn report to GSDC the need for additional trainings held locally, at business-friendly hours (which change with industry) and is culturally friendly. GSDC observes that local businesses do not take advantage of micro-loans or other capital available to them as a result of ill prepared financials and lack of education around business lending. GSDC also observes that near 100% of local businesses are found via Google search but more than 50% are outdated or poorly represent the enterprise.

GSDC seeks to increase program offerings to local small businesses in an effort to stabilize and grow the local economy. GSDC will educate and support small businesses as they seek to grow, take on higher wages, and increase number of jobs. GSDC believes that stable and growing small businesses are the cornerstone to stabilizing household and communitywide economic gaps. GSDC seeks to provide free, high-quality instruction for aspiring entrepreneurs and for established businesses seeking to stabilize and/or grow.

While GSDC has offered programs for entrepreneurs on an irregular basis, it now seeks to establish ongoing, regular offerings for the first time. These would include:

1. Bookkeeping 101, QuickBooks Simple Start, QuickBooks Plus
  - a. 10-15 businesses per class will improve financial management and credit for future planning and access to capital. Each class is 2-3 hours.

- b. GSDC will collaborate with micro lenders ACCION and LISC Chicago and engage QuickBooks instructors for class sessions.
- 2. Business Planning
  - a. Preparing Your Business Plan for Funding program for 10-15 businesses per cohort (2-3 cohorts per year). Each cohort includes 4, 2-hour sessions; one every other week with one 2-hour consultation after each class.
  - b. Outside/Impact 4-week cohort class with one-on-one technical assistance.
  - c. Program partners: Community Law Project for a session related to structure and for ongoing engagement related to business set-up. City of Chicago’s Business Affairs and Consumer Protection Department as needed.
- 3. Succession planning seminars and access to legal support
  - a. Host 2, 2-hour seminars for 20 attendees with one-on-one follow up available.
  - b. Program partners: Local lawyers and the Community Law Project and insurance providers for seminars and follow-up support.
- 4. Online Marketing
  - a. 10-15 businesses will increase use of online marketing. 2-hour sessions weekly on Thursdays in person and via Facebook Live beginning 2<sup>nd</sup> week in January and ending first Thursday in September.
  - b. Get Started Online – a class that teaches existing businesses to claim/set up their online presence and begin to leverage free platforms to increase profile and add clientele.
  - c. Program partners: GSDC will host session using internal personnel and partner with Google, Facebook, and Groupon for specific platform support. This as an extension of GSDC’s flagship conference Tech Thursdays Chicago held in partnership with 30 non-profits including Women’s Business Development Center and Bethel New Life.
- 5. Support for disabled and disadvantaged entrepreneurs through the Illinois Small Business Development Center at GSDC. Programming includes one-on-one business development for aspiring, disabled and disadvantaged entrepreneurs, as well as access to GSDC’s affiliate program The Boost Grant (a micro grant program focused on entrepreneurs with disabilities).

**Expected Outcome**

GSDC predicts 150 businesses in 1 year will experience an increase in exposure, an increase in internal operations and/or have a clear vision of their future because of workshop attendance and 1-1 technical assistance. Of these businesses, 75 will access city services and receive additional clientele. The community will gain \$1M in non-debt funding for 100 businesses in 1 year through SBA funding, city programs (Tax Increment Financing, Small Business Improvement Fund, and Neighborhood Opportunity Fund), and Special Service Area Rebates. The community will gain \$500,000 in debt financing through bank loans, commercial credit cards and microloans.

A vibrant business community is core to the economic and social life of a community. The long-term community outcome GSDC is working towards is increased commerce, fewer vacancies, more jobs, and coordinated real estate development. This will create long-term community-level change for the entire low-income target area, generating higher incomes, increased employment rates, greater levels of employment, improved educational outcomes, and overall a better quality of life for residents.

In 2019 GSDC seeks to:

Number of jobs created	50
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Number of jobs retained	100
Number of new business starts	8
Dollar value of debt financing	\$500,000
Dollar value of non-debt financing	\$1,000,000
Number of consultation clients	175
Hours of one on one consultation	1,100
Average hours per client	6.00
Number of business training events	15

**Program Budget**

The recommended one-year general operating award would provide \$125,000 in calendar year 2019. This sum represents approximately 8% of the organization’s total operating budget and 48% of the budget for the Chicago Lawn Business Academy.

**Prior Grants**

<b>Last Grant Date:</b>	12/7/1981	<b>Number of Prior Grants:</b>	1
<b>Last Grant Amount:</b>	\$17,000	<b>Total Amount Granted:</b>	\$17,000

**Recommendation**

We were introduced to GSDC by Maija Renko, associate professor of Entrepreneurship at UIC. Maija worked with GSDC’s SBDC Director as part of the Chicagoland Entrepreneurship Education for People with Disabilities (CEED) project for which CFI provided lead funding between 2014 and 2016.

GSDC is a well-established and respected community development agency with a long history as a non-profit developer. Services for entrepreneurs have been offered but not on a regular basis. This recommendation advances CFI’s first Entrepreneurship-In-Nighborhoods strategy to support individual business service organizations. GSDC will be a good addition to the cohort or organizations we are forming through our initial grants of this kind.

<b>Organization Name</b>	<b>Greater Southwest Development Corporation</b>		
<b>Program/Project Name</b>	<b>Chicago Lawn Business Training Academy</b>		
<b>Submission Date</b>	September 20,2018		
	<b>Total Project Budget: \$63,500</b>		\$259,000
<b>Revenue</b>	<b>Funds Needed</b>	<b>Funds Requested</b>	<b>Funds Committed</b>
<i>List all sources of revenue to meet program or project budget</i>	<i>Total needed from each source</i>	<i>Funds pending from any source not yet committed</i>	<i>Funds raised or committed from any source</i>
Coleman Foundation	\$100,000	\$100,000	
Private donations/grants	\$15,000	\$15,000	
Organizational contribution	\$144,000		\$144,000
Program Revenue	\$0		
<b>Revenue Total</b>	<b>\$259,000</b>	<b>\$115,000</b>	<b>\$144,000</b>
<b>Expense</b>	<b>Project Budget</b>	<b>Coleman Funds</b>	<b>Other Sources</b>
<i>Itemize all expenses for program or project budget</i>		<i>How funds from Coleman grant will be allocated</i>	<i>How funds from sources (other than Coleman) will be allocated</i>
<i>Personnel</i>			
Program Director	\$65,000	\$35,000	\$30,000
Agency Support Staff - see breakout on page 2	\$100,000	\$20,000	\$80,000
Project Consultants	\$45,000	\$16,500	\$28,500
Promotional/Marketing	\$27,500	\$16,000	\$11,500
Food costs	\$15,000	\$6,000	\$9,000
Speakers Honoraria	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$0</b>
Evaluation	\$1,500	\$1,500	\$0
<b>Total</b>	<b>\$259,000</b>	<b>\$100,000</b>	<b>\$159,000</b>