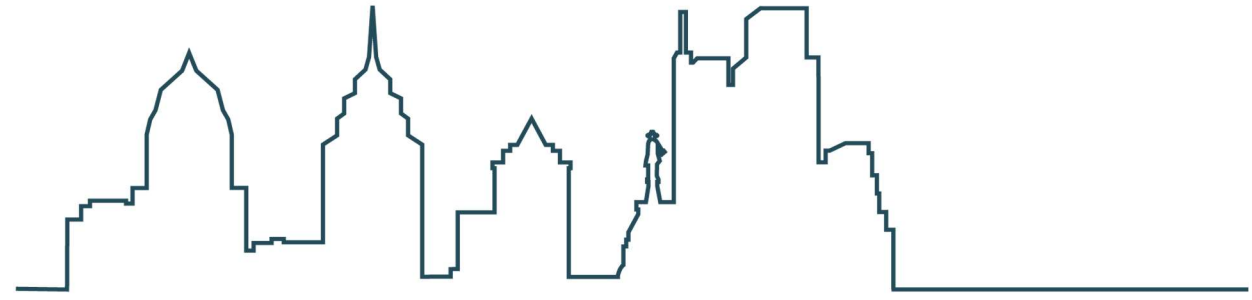
Equitable Wilmington Collaborative

White Paper 1 of 3 (2020)

Date: January 31, 2021
Submitted to Abt Associates



ESI ECONSULT SOLUTIONS INC.

economics | strategy | insight

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Executive Summary

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

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

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

To set the context for the Collaborative's work, this white paper includes a snapshot of demographic and economic characteristics in Wilmington and in three neighborhoods of focus (which are shown on the map on the following page), as well as a summary of small business conditions and a synthesis of relevant citywide and neighborhood planning efforts. This background information also covers the effects of COVID, economic uncertainty, and social unrest on Wilmington's small businesses in 2020.

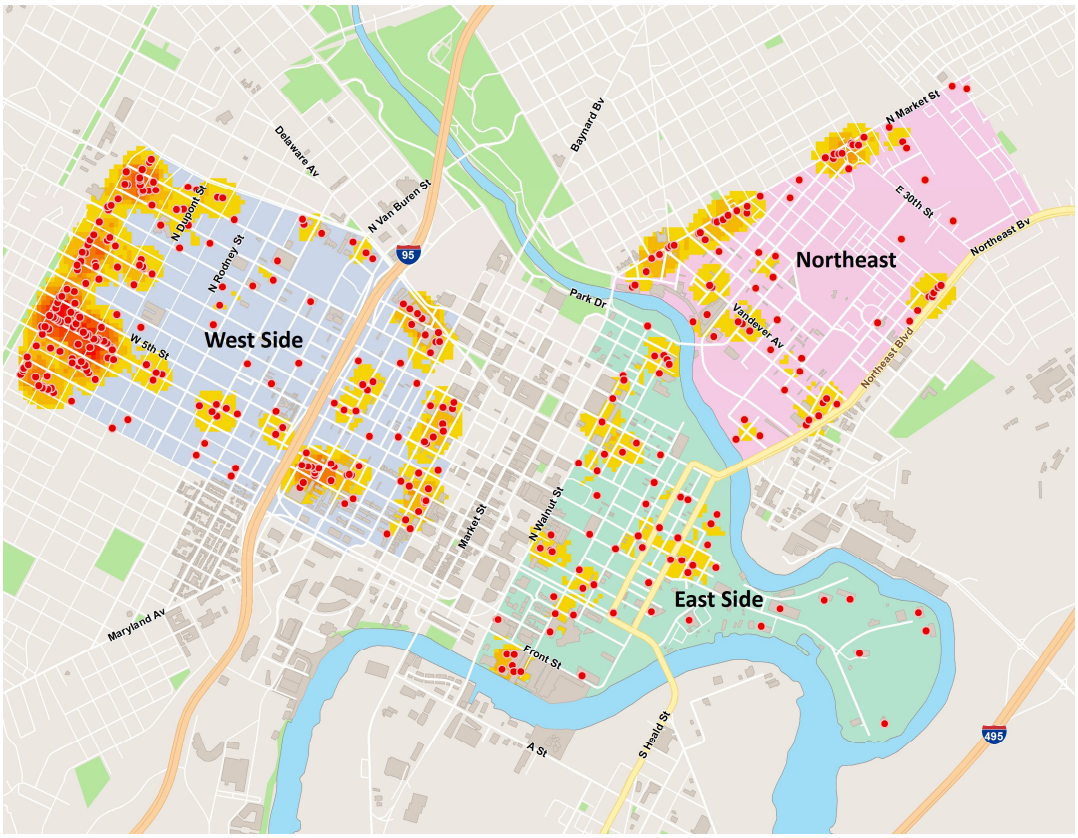
Despite the unprecedented challenges associated with COVID-19 in its first year, the Collaborative was able to accomplish much in key priority areas, including:

1. Housing loans and technical support: The Collaborative's support of the Amala Way development in Eastside is illustrative of the coordinated approach it intends to take and the target population it intends to serve.
2. Business loans and technical support: Loans and technical assistance, such as to two childcare centers (one in the Eastside and one in West Center City), have been critical for businesses reeling from the effects of COVID and being largely excluded from federal emergency aid programs.

3. Community facilities: The Lifelines III project, which serves youth aging out of foster care, is illustrative of how the Collaborative's focus on community-serving spaces benefits the city's most vulnerable residents.
4. Neighborhood and corridor revitalization: Collaborative efforts in key commercial corridor locations drew from existing partnerships with other community-serving not-for-profit organizations and yielded much-needed economic vibrancy and shopping options in Wilmington's neighborhoods.

Solomon's Court is also highlighted in this white paper because it involves all three Collaborative members and speaks to the powerful effect of PRO Neighborhoods investments in making possible strategically important catalytic projects that in turn serve the city and lead to additional investment. Located in the Westside and consistent with West Side Grows Together's comprehensive plan for the neighborhood, Solomon's Court is a mixed-use development that has benefitted from recent investment nearby and in turn lays the groundwork for additional development in the immediate area.

Small Businesses in Equitable Wilmington Collaborative's Three Focus Neighborhood: Westside/West Center City, Eastside, and Northeast



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

Though 2020 was tumultuous, the Collaborative can point to many successes in its first year:

1. The Collaborative was able to establish its overall governance structure as well as develop a framework for regular meetings, inter-organizational cooperation, and metrics tracking.
2. Collaborative members drew from pre-existing working relationships with each other and with other neighborhood partners, while using the mechanism of the Collaborative to strengthen and extend these partnerships.
3. 2020 activities put the Collaborative on track towards its overall goals, including closing on five small business loans (totaling $414,000), two commercial loans to developers (totaling $1,075,000), and five community facilities loans (totaling $1,583,330).

The challenges of 2020 continue into 2021, increasing both the level of difficulty for the Collaborative and the urgency of the work it is taking on. In response, the Collaborative remains committed to work tirelessly and strategically for the benefit of the city as a whole, with particular attention on the three neighborhoods of focus and with an eye to lifting up vulnerable households, entrepreneurs of color, and low-income communities. An example of this is the technical assistance and fundraising support the Collaborative is providing to the Latin American Community Center, a 15,000 square foot facility that will serve as an early childhood learning center in the Westside and that is expected to close in 2021, ahead of a 2022 opening.

An important lesson from 2020 that remains relevant in 2021 is the need for flexibility at all levels, including flexible financial products for development projects, flexible financing terms for small businesses, and flexible platforms for providing technical assistance. As an example, 2021 will mark the launch of the Collaborative's Capacity Building Fund, which will provide up to $15,000 in technical assistance support to neighborhood organizations with an existing presence in the Collaborative's three focus neighborhoods. This approach opens the door for creative ideas, collaborative solutions, and catalytic projects.

The Collaborative's second year will be marked with continued utilization of existing partnerships and newly formed collaboration mechanisms to fulfill the work it has set out to do. It remains a challenging climate for households and businesses in Wilmington, and the work of the Collaborative is made more difficult by the same operating restrictions and economic uncertainties. But the Collaborative will benefit from being able to build from the structure it has established and the positive momentum it created in its first year, to work towards fulfilling its objectives in this second year.

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1. Introduction

1.1. Purpose of the Report

Equitable Wilmington has received a three-year, $4 million investment through JPMorgan Chase's Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) program. The funds from this investment will support activities including housing development, small business development and entrepreneurial support, and the development of community facilities that create resources and bring assets to the community. The investment from JPMorgan Chase is being used to support the Equitable Wilmington Collaborative's activities, which include grants, loans, community outreach, and capacity-building for local businesses, developers, and community groups.

This report serves as the first of three white papers for Equitable Wilmington Collaborative, corresponding roughly to the first year of the program. It brings together quantitative and qualitative research to take a snapshot of Wilmington and the work of the Collaborative, setting up future white papers to be able to compare from previous years and see where progress is being made and lessons are being learned.

The disruptions caused by COVID-19 and the associated business shutdowns and recession have created a need for greater flexibility in the program, and for collaborative teams to adjust their plans based on changed needs within the communities that they serve as well as evolving realities around implementation. These disruptions appear as a threat running through the entirety of this white paper.

1.2. Member Organizations

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

Figure 1.1: About the Equitable Wilmington Collaborative Members

	Cinnaire	NCALL Loan Fund	True Access Capital
Mission / Vision	"All people deserve the opportunities provided by living in healthy communities"	"Thriving neighborhoods and equitable housing for all on the Delmarva Peninsula"	"To educate, empower and elevate business owners and entrepreneurs by augmenting technical expertise, increasing access to capital and stimulating business growth throughout Delaware and southeastern Pennsylvania"
Target 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	• $4.5B+ in total investments • $8.8B+ in community impact • 575+ community development loans extended totaling $641M+ • 811 housing developments under asset management (over 49,700 affordable apartments)	In 2019: • $116M in financing leveraged • 520 homeownership clients counseled with 322 loan closings • 674 new financial literacy clients coached • 77 rental units developed	• Nearly $30M in support to more than 1,100 small businesses and organizations • 59 percent of loans to minority borrowers • 48 percent of loans to women • 30 percent of loans to low-income borrowers
Role in Equitable Wilmington 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

Cinnaire

Cinnaire Lending (Cinnaire) is a nonprofit certified CDFI founded in 2002, a subsidiary of the nonprofit Cinnaire Corporation founded in 1992. Cinnaire creates opportunities for people in need by developing partnerships with mission-focused organizations and investors, and by deploying capital and expertise to foster community-driven revitalization in the Mid-Atlantic and Midwest. It has an unwavering belief that all people deserve the opportunities provided by living in healthy communities.

Initially, Cinnaire provided early-in capital to advance high-impact affordable housing projects. As the organization's capabilities grew, it adapted to meet broader redevelopment goals. It now offers diversified loan and equity products, consultancy and development services, and support to projects that advance neighborhood revitalization and provide critical opportunities for low-income residents. To date it has provided over $4.5 billion to more than 1,200 projects benefiting over 101,000 low-income families.

Delaware Community Investment Corporation (DCIC), a CDFI Cinnaire merged with in 2013, has been working in Wilmington's hardest-to-serve communities for over a quarter century, deploying capital and providing support for affordable housing, community development and community facilities. To date, Cinnaire/DCIC has deployed a combined $198 million in capital in Wilmington, which has resulted in the creation/preservation of over 2,500 housing units and creation/renovation of more than 187,000 square feet of commercial, mixed-use, and community space.

Cinnaire serves as the lead CDFI for Equitable Wilmington Collaborative. Its role within the Collaborative is to provide lending opportunities that support neighborhood revitalization and single-family housing development.

NCALL Loan Fund

NCALL Loan Fund was certified by the Department of Treasury as a CDFI in 2004. It finances projects for the development of affordable housing, community facilities, and neighborhood revitalization, with loan products for predevelopment, acquisition, construction, bridge/gap financing, and credit enhancements and guarantees. It primarily lends to nonprofit organizations with community development and/or affordable housing as part of their mission, with a geographic focus on the Delmarva Peninsula (including Delaware and the eastern shore counties of Maryland and Virginia).

True Access Capital

True Access Capital (previously the First State Community Loan Fund) was established in 1992 to support community-based organizations and entrepreneurs in low-income communities through loans and business advice, particularly within Wilmington. It has since expanded its geographic scope to other communities in Delaware and southeastern Pennsylvania, disbursing nearly $30 million to more than 1,100 businesses and community organizations.

Coming Together as Equitable Wilmington Collaborative

The three member CDFIs began working together prior to joining the PRO Neighborhoods program. Their joint commitment to the three focus neighborhoods, and their complementary approaches to community investment, serve as a solid basis from which to grow their collaboration. By formalizing

their connections through the Equitable Wilmington Collaborative structure, they have been able to form an advisory committee and commission a market study (completed by Econsult Solutions in Summer 2020) to support their work as part of the Collaborative.

While Cinnaire, NCALL Loan Fund, and True Access Capital have worked together previously, the structure of the Collaborative adds a mechanism for these CDFIs to formalize their relationship, explore collaborative opportunities, and synchronize related efforts, all to the end of increasing their impact at the community level. Monthly meetings, a newly formed Community Advisory Committee, and contracting the planning and facilitation consulting firm Strategy Arts to perform project management are specific mechanisms that facilitate more regular communication both internally (among the three) and externally (with community groups, local business leaders, and other stakeholders).

Figure 1.2: Equitable Wilmington Collaborative at a PRO Neighborhood Event



Source: Cinnaire

1.3. Equitable Wilmington Collaborative's Goals & Vision

Equitable Wilmington Collaborative's vision is to expand equitable opportunities to underserved neighborhoods by making significant, concentrated investment in economically marginalized communities that surround the Central Business District with targeted capital, training, and technical assistance that promotes equitable development, community development capacity, and healthy neighborhoods.

Equitable Wilmington Collaborative has established six core goals for its work to measure these outcomes:

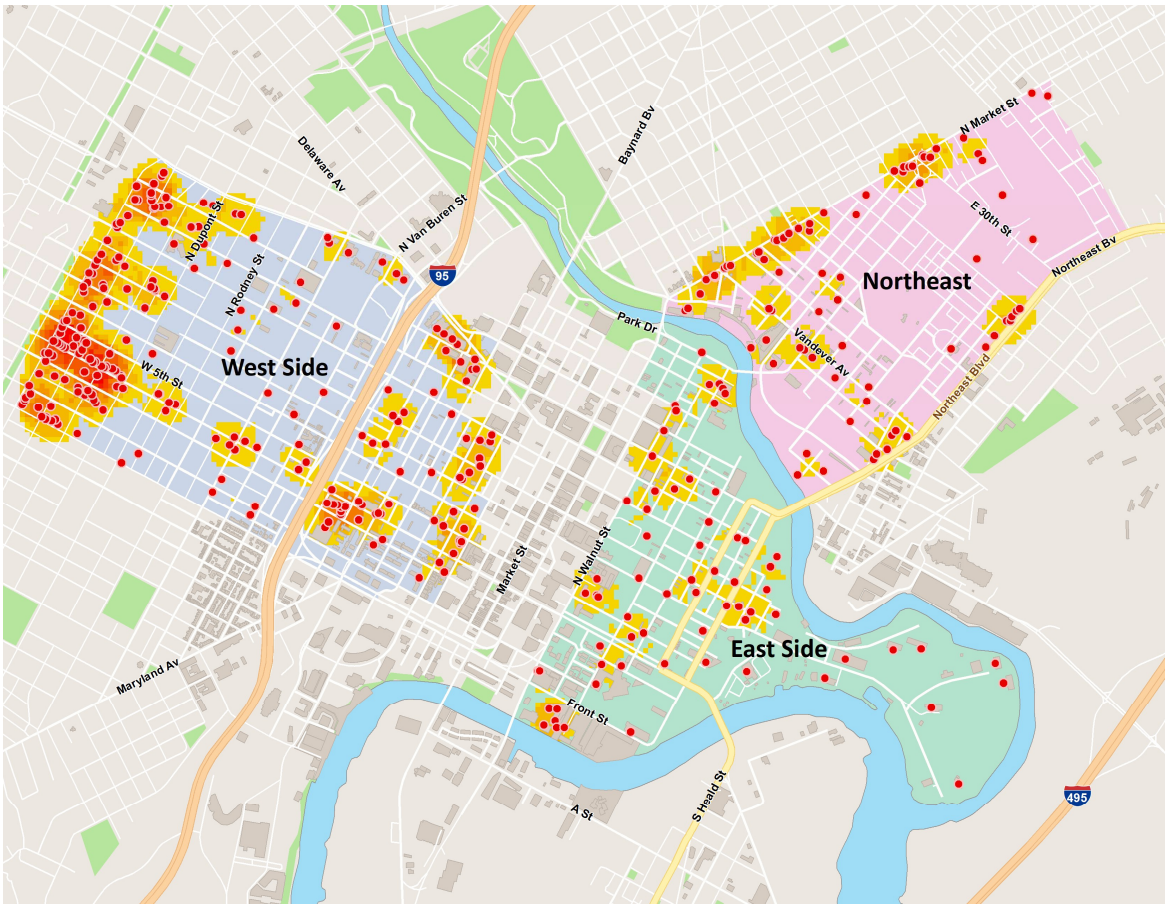
- To build healthy neighborhoods through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans.
- Launch governance structure: Hire a Collaborative Project Manager and create a Community Advisory Committee comprised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

These goals all serve to advance Equitable Wilmington's vision for its work. They are measurable and will be tracked over the program's 3-year period.

The Collaborative's investments will be concentrated in three parts of Wilmington: 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 areas are all located within close proximity of downtown Wilmington, and each has a strong presence of businesses owned by people of color and a need for further investment to support existing and future businesses, developers, and community groups.

In contrast to Wilmington's thriving downtown area, these adjacent neighborhoods receive comparably less public and private sector investment and experience significant land vacancy, depressed housing values coupled with a lack of housing affordable to existing residents, and an under-resourced community development sector. Consequently, many residents lack employment opportunities, access to critical services, places to gather, and safe, quality, and affordable living options. These challenges have been a focus of the Collaborative's three member organizations for several years now and are the reason that the Collaborative has decided to focus its activities in these particular areas.

Figure 1.3: Small Businesses in the Three Focus Neighborhoods as of June 2020



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, worker 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, worker jobs, and businesses of the three focus neighborhoods. It lacks a major commercial corridor and has transportation access challenges, particularly in 7th Street Peninsula area, which was historically industrial, and which 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 some 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 foodservice 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 will be tracked over time, allowing for future multiyear comparisons.[1] In addition, an examination of existing planning and community organizing efforts in Wilmington offers insight into the work that is already being done, and that the member CDFIs have been involved with over the past several years. This report's appendices delve further into various demographic, economic, and capital access data points that can help offer a deeper understanding small businesses in Wilmington.

Equitable Wilmington Collaborative's 2020 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 been done in specific program areas, including housing development, business development, community facilities, and commercial corridor revitalization. This section offers an overall picture of the full scope of this year's activities.

Section 4 continues the analysis of 2020's work, with a focus on early progress and lessons learned so far, as well as an eye forward to how the Collaborative will continue to build from this initial year. Here and throughout the report, the impacts of the COVID-19 pandemic (particularly for small businesses and within communities of color) are central to understanding business, developer, and community needs, and by extension, how the Collaborative can most effectively offer support.

This white paper is intended to be responsive to 13 research questions that were developed at the beginning of this grant period (see Figure 1.4). Together with the quantitative metrics, these research questions are used to assess the Collaborative's progress in key areas. Responsiveness to these questions are a common thread throughout this report and have guided the Collaborative's activities

[1] While there is some lag in data reporting from secondary sources, they can be used to identify early trends.

throughout this initial year of engagement. They appear in quarterly informal qualitative surveys that are shared internally at the Collaborative's regular meetings to help guide the conversation and step back to think through overall progress.

Figure 1.4: Research Question (Main Section 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 3.1, 3.4-3.8)
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, 3.4-3.8)
3. What are some unexpected benefits that members of the Collaborative have experienced through this work (either internally or among recipients of program support)? (1.2, 4.2)
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, 4.2)
5. How and to what extent are Collaborative members working together? How has that increased organizational capacity? (4.1, 4.2)
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? (3.4, 3.8)
8. How have the Collaborative's activities supported small businesses in Wilmington? (3.5, 3.7, 3.8)
9. How have the Collaborative's activities supported capacity building in Wilmington? (3.4-3.8)
10. What are the demographic characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (2.2, Appendix A)
11. What are the economic characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (2.2, Appendix B)
12. What are the real estate market characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (Appendix C)
13. What are the capital access characteristics of each targeted neighborhood and of the city as a whole, and to what extent have they changed in response to the Collaborative's interventions? (2.3, Appendix D)

2. Local Context

2.1. Overview

One of the purposes of this series of white papers is to take these snapshots of Wilmington's demographic and economic data, with this first year's report representing a baseline upon which future ones will compare to see where progress is being made.

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 suffering from poverty, vacancy, and historic disinvestment. Employment dynamics are connected with these systemic factors: a high proportion of (higher-paying) jobs in Wilmington are held by suburbanites commuting into and out of the city every day, while a high proportion of city residents commute to (lower-paying) jobs outside the city.

For the city to thrive in ways that are accessible to and inclusive of all its residents, Wilmington must lift up its local small business community. This homegrown talent of shopkeepers, restauranteurs, and personal and professional service providers are the lifeblood of neighborhood commercial corridors throughout the city. Sections 2.2 (Demographic and Economic Overview) and 2.3 (Small Business Landscape and Climate) offer insight into both Wilmington as a whole and the Eastside, Westside/West Center City, and Northeast neighborhoods.

Through PRO Neighborhoods, the Collaborative is partnering with City government, neighborhood-serving not-for-profit organizations, and small businesses in these three neighborhoods to ensure equitable access to capital and other necessary resources to support economic opportunity and thriving communities. These investments will support vibrant commercial hubs throughout the city, offering a wide range of products and services to residents, commuters, and visitors alike, supporting local jobs and the local tax base, and instilling citywide pride in the hometown business community. Section 2.4 offers additional context into how the member organizations' past work and the Collaborative's current work ties in with City and neighborhood planning efforts over the past several years, aligning with priorities established by the City and by local community organizations.

Since this project was initiated, small businesses have had to face the twin challenges of surviving a global pandemic and coming to grips with the heightened national awareness of ongoing racial disparities. All small businesses in Wilmington have been affected by COVID-19, and all have had to contend with the reality of continued systemic inequities, particularly as it relates to the availability of capital and access to other support resources. These conditions have both created new challenges for small businesses as well as exacerbated existing challenges that they already faced. As Equitable Wilmington Collaborative and its partners have undertaken this first year of their work, the twin drivers of COVID-19 response and overcoming racial inequities are of particular relevance. These impacts are outlined in Section 2.5 of this report.

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 to and inclusive of all its residents, Wilmington must lift up its local small business community. This homegrown talent of shopkeepers, restaurateurs, and personal and professional service providers are the lifeblood of neighborhood commercial corridors throughout the city. Through PRO Neighborhoods, Equitable Wilmington seeks to partner with City government, neighborhood-serving not-for-profit organizations in the East Side, West Side/West Center City, and Northeast neighborhoods, to ensure equitable access to capital and other necessary support resources create economic opportunity and thriving communities.

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

Figure 2.1 – Citywide Economic Measures by Race

Measure	White	Black or African American	Asian	Hispanic or Latino[2]
Share of Population	29.2%	57.4%	1.2%	10.2%
Median Household Income	$64,500	$31,400	$61,300	$40,600
Poverty Rate	11.8%	33.0%	3.5%	23.1%
Bachelor's Degree or Higher[3]	48.9%	12.9%	60.1%	15.3%
Homeownership Rate	56.3%	38.1%	36.2%	33.2%
Home Loan Denial Rate	9.6%	24.9%	23.8%	19.6%

Source: American Community Survey (2014-2018), Home Mortgage Disclosure Act (2019), Econsult Solutions, Inc. (2020)

Income disparities between Black and Latino households and white households are markedly greater than the disparities at the county, state, and national levels. While white households in Wilmington earn a median income of $64,500, Black households make approximately half of that (at $31,400), and Latino households make approximately two-thirds (at $40,600). Asian households in Wilmington have a median income that is close to that of white households, although Wilmington has a relatively low Asian population (with fewer than 500 households). To further highlight this racial economic disparity, the poverty rate for white residents is 11.8 percent, which is substantially lower than that of both Black and Latino residents, which have poverty rates of 33.0 and 23.1 percent, respectively.

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

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

To bridge the national racial wealth divide, the assets of communities of color must grow. Businesses of color are essential institutions that must be strengthened to build assets and advance economic security. Racial disparities in capital access measures are both symptomatic of these broader economic inequities and also portend further entrenchment of these gaps if aggressive remediations are not undertaken. For a city defined in large part by the presence of significant financial services and the outsized role those locally located companies play at a national and global level, it is essential that the city to address the persistent racial disparities in capital access.

Unfortunately, the publicly available data on the geographic distribution suggests persistent inequities in access to home capital, business capital, and branch locations for Black and Latino households compared to white and Asian households (see Appendices C, D, and E). The drastically disproportionate distribution of subprime (i.e. more costly) loans to Black and Latino borrowers is of particular concern: in 2019, 8 percent of home loans to white borrowers were subprime, compared to 42 percent of those to Black borrowers and 38 percent of those to Latino borrowers.

As described above, the majority of people living in Wilmington do not work in the city, and the majority of people working in the city do not live there: only one in five Wilmington residents who are employed (corresponding to 5,400 people) also work in the city, with the remaining 20,645 work elsewhere. At the same time, nearly 37,000 individuals commute into the city for work. In addition, commuters into Wilmington disproportionately earn higher incomes than local residents either working within the city or commuting elsewhere: 43 percent of people living and working in Wilmington earn $40,000 or more, compared to 72.4% of those commuting from outside to the city.[4] This dynamic speaks to the relationship between Wilmington and its neighboring communities.

2.3. Small Business Landscape and Climate

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

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

Wilmington's small business community is varied in industry and geography. As is to be expected, a high proportion of the city's small business community include storefronts (retail, food) and services (health care, finance, professional services) (see Figure 2.2). The city's Westside/West Center City, Eastside, and Northeast neighborhoods all boast clusters of businesses that contribute greatly to the strength and identity of those communities. Within these three neighborhoods, the Westside/West Center City has

[4] Bureau of Labor Statistics *OnTheMap* 2018.

by far the most business establishments, at 248 compared with 81 in the Northeast and 73 in the Eastside. There is a concentration of businesses along the Westside's western border between Dupont and Union Streets, and near the intersection of Market Street and Northeast Boulevard in the Northeast (see Figure 1.2).

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

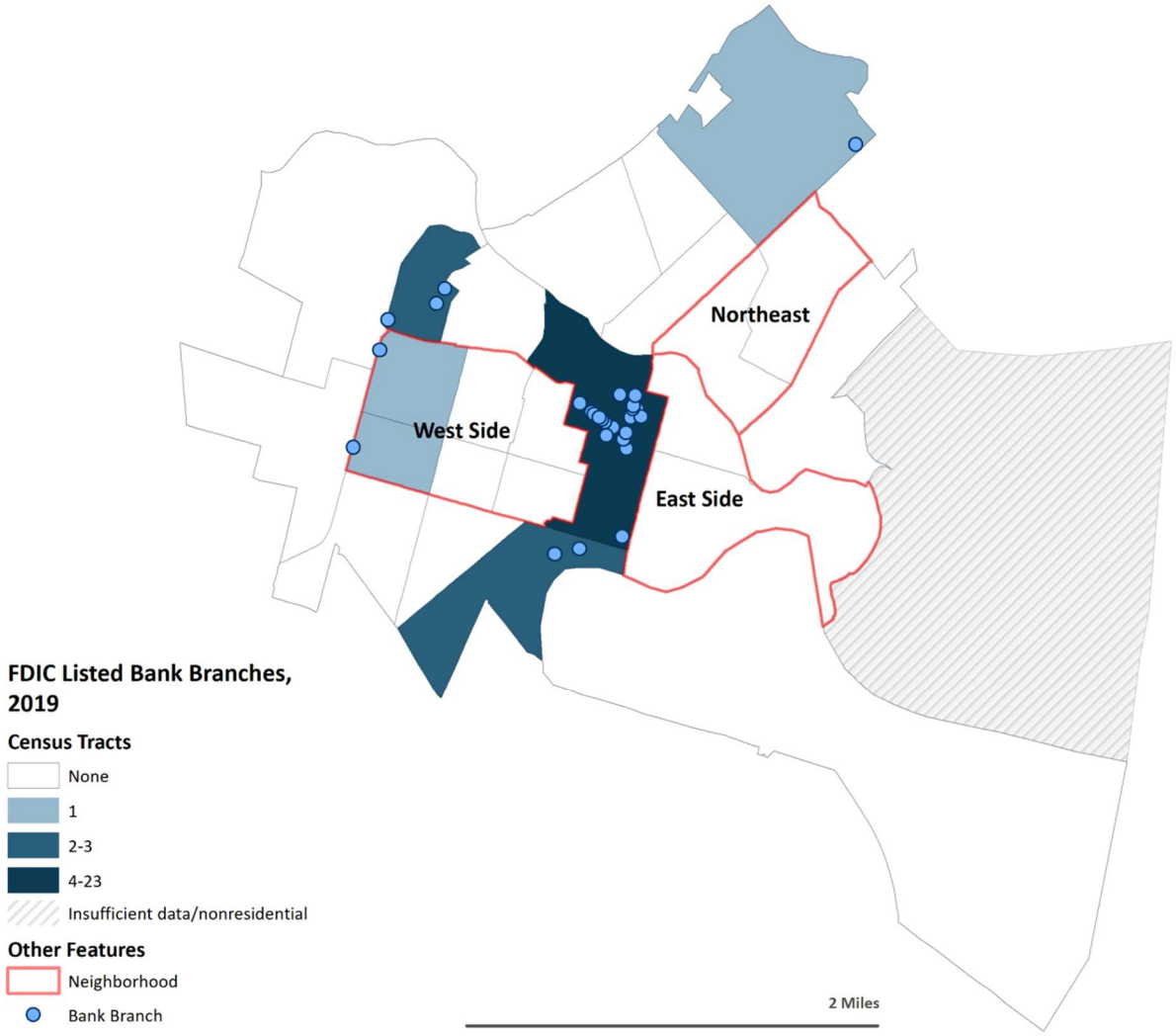
NAICS Code	Industry	Westside/West Center City	Eastside	Northeast	W+E+NE
44-45	Retail Trade	63	18	31	112
81	Other Services (except Public	59	7	11	77
72	Accommodation and Food Services	46	8	15	69
62	Health Care and Social Assistance	16	5	5	26
53	Real Estate and Rental and Leasing	10	8	6	24
52	Finance and 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)

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 2019, there was a total of 31 bank branch locations in the city of Wilmington, holding over $171 billion in deposits. Of these 31 branches, only two were located in any of the three focus areas, both along the western edge of Westside/West Center City (see Figure 2.3).

Another metric for evaluating the small business climate is the number and value of loans made to small businesses in within the focus neighborhoods. Altogether, small business lending in the three neighborhoods totaled approximately $10 million in 2019, out of a total of $91.4 million in small business loans citywide that year (see Figure 2.4)

Figure 2.3 – Bank Branches, City of Wilmington and Focus Neighborhoods



Source: FDIC Summary of Deposits (2019), Econsult Solutions, Inc. (2020)

Figure 2.4 - 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	221	$5.9
Eastside	53	$3.0
Northeast	55	$1.1
Wilmington	**1,929**	**$91.4**

Source: FFIEC Community Reinvestment Act (2019), Econsult Solutions, Inc. (2020)

2.4. Local Planning, Community Organizations, and Nonprofits

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

Equitable Wilmington Collaborative is guided by a number of local plans that relate to the three focus neighborhoods.[5] The organization West Side Grows Together produced a neighborhood revitalization plan in 2012 that focused on a number of priority areas, including neighborhood parks and the designation of parts of the neighborhood as Main Street Affiliates (through the national Main Street program). The member CDFIs have all worked closely with West Side Grows Together over the last several years. Also in Westside/West Center City is Be Ready Community Development Corporation, another organization that all three Collaborative members have worked with in the past, and which they continue to support through the Solomon's Court project highlighted in Section 3.8 of this report.

Another neighborhood plan, Eastside Rising, is one of a series of Blueprint Community Plans created as part of a Federal Home Loan Bank initiative that focuses on the role of strong local leadership and collaboration to build local capacity and sustain community growth. Objectives and strategies in this report are particularly focused on building coalitions among existing organizations and ensuring that investments in the community benefit residents, including through community benefits agreements, local hiring for construction activity, and support to businesses employing neighborhood residents.

Figure 2.6: Two community plans that have informed the Collaborative's approach





Sources: Westside Grows Together Community Revitalization Plan and Blueprint Communities Northeast Wilmington Community Revitalization Plan

Additionally, the City of Wilmington's current comprehensive plan, *Wilmington 2028*, offers a high-level analysis of the City's priorities over the next ten years that align with these neighborhood plans. Core

[5] These include West Center City Strategic Neighborhood Plan, the Riverside Plan, Northeast Brandywine Riverfront I.S. EPA Brownfields Area-Wide Plan, and the Blueprint Communities Northeast Wilmington and Washington Heights Community Revitalization Plans, in addition to those described above.

themes emerging from this document include the need to invest in neighborhoods and their residents, the need for a more inclusive, diverse, and resilient economy, and the need to support and coordinate between community efforts.[6] A key objective identified in this plan is the need to prevent displacement of low-income residents in areas where future investment might otherwise force longtime residents out of their houses. The plan also identifies a need to address vacant land, which can undermine a neighborhood's sense of security and signal a lack of investment in an area.

Mayor Purzycki's neighborhood stabilization efforts and the 2017 Wilmington City Council Strategic Plan also aligns with both the key neighborhood plans and the citywide plan, including through its support catalytic investments grounded in principles of asset-based community development, the management of vacant parcels, the strengthening of core neighborhood corridors, and the promotion of health and wellness as a core part of community development efforts.

Equitable Wilmington Collaborative has included local government representatives in strategic conversations related to this project since 2018. The City Office of Economic Development, the Office of Real Estate and Housing, the Law Department, the Mayor's Office, and the Wilmington Neighborhood Conservancy Land Bank have all been consulted in the process.

In addition, individuals who are part of Equitable Wilmington Collaborative serve in formal roles on local organizations. Vandell Hampton, the President and CEO of True Access Capital, is the Co-Chair of Collaborate Northeast's Community Economy working group, and Dionna Sargent, Vice President of Community Development, is on the board of Central Baptist CDC, which is based in the Eastside. These existing connections reflect the spirit of collaboration and coordination that already exists through these formal ties to various partnership work, and which are continuing to be strengthened through the structure of the Equitable Wilmington Collaborative.

2.5. COVID and Racial Justice

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 racial disparities. All small businesses in Wilmington have been affected by COVID-19, some to the point of closure, significant shrinkage, major disruption, and future uncertainty. And all small businesses 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 shocks have both created new challenges for small businesses as well as exacerbated existing challenges that they have faced. As the member CDFIs have undertaken this first year of their work as a Collaborative, the twin drivers of COVID-19 response and overcoming ongoing racial inequities are of particular relevance.

COVID-19 has yielded unprecedented damage to the local small business community, which is now faced with closure, significant revenue loss, major adjustments, and an uncertain future. As has been the experience in other parts of the country, COVID-19 has exacerbated existing racial disparities in

[6] *Wilmington 2028: A Comprehensive Plan for Our City and Our Communities*, p. 3

Wilmington, which thus necessitates that the portfolio of relief and recovery efforts is mindful of remediating and rectifying those inequities.

An unfortunate consequence of how the federal government's Paycheck Protection Program (PPP) was structured was that it may have exacerbated inequities within the business community even as it offered a critical lifeline to some local small businesses. That is because applications and loans were processed through Small Business Administration (SBA) lenders, and due to the accelerated pace of distributing funds, those lenders focused exclusively on businesses with whom they had pre-existing relationships, further leaving out businesses that lacked those connections.

In general, such businesses have struggled mightily during this disruptive time to access emergency capital, unsure of where to turn and often rejected by the places they do know to turn to, or alternatively, the process is long and cumbersome enough to deter the effort. In a market study conducted in summer 2020 for the Collaborative, many business owners expressed frustration over knowing where to go for capital (banks, SBA programs) but either being deterred by a confusing engagement and application process or else having gone through such a process being denied and not feeling satisfied by the accompanying explanations.

This is illustrative of the broader challenge of inequity in the city, which reflects the growing national awareness of systemic and race-based disparities. For example, the publicly available data on home capital, business capital, and branch location distribution shows persistent differences in access between Black households and white households: Black applicants are denied at a higher rate and are more frequently given sub-prime loans, Black neighborhoods are home to fewer business loan recipients, and Black households must travel further to access a physical bank branch location.

Equitable Wilmington Collaborative's member CDFIs have always focused on organizations and businesses led by people of color, and their work as the Collaborative is continuing this focus. Additionally, the Collaborative has adjusted some of its early activities to be responsive to the unique challenges imposed by COVID-19, as will be highlighted in the remainder of this report.

3. Equitable Wilmington Collaborative: Year 1

3.1. Overview

Having provided an overview of the initiative and its drivers (Section 1), and of the neighborhoods being served and the context of those neighborhoods (Section 2), we now turn our attention to Collaborative efforts in its first year in 2020. Because this report corresponds to the first of three years of this engagement, this section provides overviews (or "spotlights") of a range of projects, rather than taking a deeper dive into any one individual case study, so as to lay a broad groundwork of work from which to revisit in future years' analyses.

As shown in Figure 3.1, the Collaborative made initial progress on each of its six goals in 2020. Despite the disruptions and uncertainties wrought by COVID, it has fully launched its governance structure and initiated momentum on all other goals (see Figure 3.1).

Figure 3.1 – Collaborative Goals and Status

Goal	Current Status
To **build healthy neighborhoods** through targeted financing, technical assistance, expanded access to data, and capacity building based on key outcomes articulated in neighborhood plans	Initial relationships being established and investments being made; see 3.4-3.7
Launch governance structure: Hire a Collaborative Project Manager and create a Community Advisory Committee comprised of representative from CBOs, City government departments, and local business leaders	Complete, with quarterly meetings with the Community Advisory Committee to continue through the full period
Small business support: 48 loans totaling $1,020,000, with 48 small businesses assisted	Initial relationships being established, and investments being made; see 3.5
Affordable housing preservation: 108 units preserved or rehabbed	Initial relationships being established, and investments being made; see 3.4
Community facilities: 7 facilities supported including loans and/or technical assistance	Initial relationships being established, and investments being made; see 3.6
Capacity building: 6-10 capacity building grants deployed, and 60 JumpStart trainees (small scale resident developers) trained	Initial relationships being established, and investments being made; see 3.4

3.2. Fulfilling the Collaborative's Objectives in the Context of COVID

The challenges of COVID have created a hesitancy among several of the Collaborative's partner lenders who were expected and hoped to participate in previous loans. The civil unrest that took place in Wilmington in the late spring also created more hesitancy for potential partners to commit to funding with so much uncertainty around commercial and retail uses.

Many of borrowers also refocused their immediate priorities away from their capital activity to serve immediate needs, particularly those needs of very low-income constituents.

Equitable Wilmington Collaborative has been responsive to these shifts by:

- Offering payment/interest deferrals for some borrowers;
- Working to combine loans offered through the Collaborative with other loan products offered by the member CDFIs, thereby increasing complexity for financing amounts, terms, and timeframes for closing and reporting (and allowing for greater flexibility); and
- Shifting all technical assistance to virtual settings.

Additionally, True Access Capital has been able to offer a Small Business Emergency Relief/Recovery Loan & Grant Program with loans of up to $50,000 for small businesses in Delaware that have been impacted by COVID. Funds can be used to make adjustments to operating plans based on COVID-related restrictions and safety guidance, to support operating expenses, and/or to help small businesses relaunch.

3.3. 2020 Activities - Overview

Equitable Wilmington Collaborative's 2020 activities cover a wide range of areas, from housing, to small businesses, to community services, to corridor revitalization. Each of the next three sub-sections addresses these topic areas, and then this section concludes with a spotlight project, Solomon's Court in Westside. The projects highlighted in these sections reflect a subset of representative projects from 2020.

3.4. 2020 Spotlight: Housing Loans & Technical Support

Affordable housing is a key need in Wilmington, as it is in many cities throughout the United States. This need is exacerbated by the high level of income inequality in Wilmington and the surrounding region, as household incomes in Wilmington – and especially within the three focus neighborhoods – are lower than in the surrounding suburbs.

Habitat for Humanity of New Castle County (HFH) is developing seven units for homeownership in a development called **Amala Way I** in Eastside Wilmington. Four of these units will be developed under the traditional HFH model and will be marketed to individuals/households at 50% Area Median Income. Cinnaire will be providing a loan to help fund the development of the remaining three units which will be marketed to individuals/households between 60% and 80% Area Median Income, thereby helping to create a mixed income housing development project. Cinnaire will be deploying capital received under the PRO Neighborhoods program and will be leveraging this funding with capital received from Trinity

Health/Saint Francis Healthcare, a local healthcare institution, to address issues that may occur at the intersection of health and housing.

This is a highly anticipated project that the community has advocated for over the past several years. It aligns with the existing equitable development plan in Eastside Wilmington and is within close proximity of a number of current and future projects that include the development of affordable housing, mixed-use, community facilities, and small businesses like **Jerry Deen's Restaurant**. This investment reflects and is responsive to the need for affordable housing that is in scale with the surrounding neighborhoods, that activates the streetscape, and that targets support where it is most needed.

3.5. Spotlight: Business Loans & Technical Support

As described earlier in this report, the Eastside, Westside/West Center City, and Northeast neighborhoods all have a number of small businesses that support the vitality of their communities. Many of these businesses have been hit particularly hard by both the economic recession caused by COVID-19 and by the impacts of civil unrest in 2020.

Because of how the federal government's Paycheck Protection Program (PPP) was structured, many small businesses were left out of the process. Applications and loans were processed through Small Business Administration (SBA) lenders, and due to the accelerated pace of distributing funds, those lenders focused primarily on businesses with whom they had pre-existing relationships, further leaving out businesses that lacked those connections.

In general, small businesses have struggled mightily during this disruptive time to access emergency capital, unsure of where to turn, rejected by the places they do know to turn to, or deterred from applying because of long and cumbersome application processes. Equitable Wilmington Collaborative has been able to offer support to some of these businesses through loans as well as technical assistance that can be more directly tailored to an individual business's needs, in part because of the Collaborative's hyperlocal scale and existing ties within the community.

In Northeast Wilmington, True Access Capital is providing economic development/technical assistance to the Ministry of Caring for the commercial component of the **Villa Maria** mixed use senior housing project, which includes 65 units plus retail. Services provided includes demographics research and a gaps analysis to identify prospective business types within the geographic trade areas, as well as identifying possible businesses and marketing materials for the development.

Two childcare centers received support from the Collaborative in 2020. True Access Capital is refinancing **Tadpole Academy** in the Eastside neighborhood, as the center expands to the second floor of its existing building, more than doubling capacity from 21 to 54 children served. This center is one of the few in Wilmington that has achieved a STAR 5 rating. PRO funds are being leveraged along with True Access Capital's Small Business Emergency Relief/Recovery loan and grant program to finance this project.

In West Center City, another childcare facility, **Kids Kingdom**, is now in its final draw and is considering expanding operations to accommodate more children. This childcare center was approved in 2019, the first PRO Neighborhoods project for True Access Capital.

In addition to providing capital for small businesses, True Access Capital has also assisted more than 20 entrepreneurs in the three neighborhoods with business counseling through workshops, webinars and one on one sessions with business consultants.

These activities, including loans and technical assistance to small businesses, fit into the local neighborhood plans of the three focus neighborhoods and align with the priorities of local community-based organizations. They also support *Wilmington 2028*'s goals to encourage a diverse and inclusive local economy in all neighborhoods and ensure that Wilmington is a city where inclusive businesses can thrive.

3.6. Spotlight: Community Facilities

Community facilities fill an important role in communities, providing services to area residents and cultivating a sense of community. These types of spaces encompass a wide range of focus areas, and can include religious institutions, childcare and eldercare providers, financial advising, job training, and others.

In 2020, NCALL was able to provide financing to two small non-profits serving their community on the grassroots level. These facilities are critical to support the fabric of services for those in need. The **Financial World Association** will be housed in a 1,500 square foot space on the Eastside in Wilmington. Services will include entrepreneurial training classes, life skills classes, other educational classes, and office space rentals for small startups, and a potential new micro-lending office located all in one building.

The Faith Builders Churches of Jesus Christ Inc. project is an acquisition of a 1,500 square foot building to house services on the Eastside. They provide for social, health, economic, educational, youth development, and employment awareness and services to inner city residents in Wilmington.

In addition to its role in the Solomon's Court project described below, NCALL was able to provide bridge financing for another Westside project for long term community anchor Cornerstone West. This project will create 7,500 square feet of special needs facility assisting youth aging out of foster care. The **Lifelines III** project will assist ten residents at a time. This financing was possible due to the support of Equitable Wilmington and funding from JP Morgan Chase.

3.7. Spotlight: Neighborhood and Corridor Revitalization

Neighborhood and corridor revitalization efforts benefit a wide range of stakeholders, including businesses, local residents, workers, and visitors. Particularly in the three focus neighborhoods (which are adjacent to but outside of Wilmington's core downtown area) investment in neighborhoods mean that residents see their communities being cared for in ways that will improve quality of life.

In West Side/West Center City, True Access Capital is working with the Cornerstone West CDC to develop a corridor revitalization fund for the concentration of businesses near the 4th Street and Union Street intersection. The fund is being modeled after True Access Capital's successful Market Street Corridor fund which helped secure close to $6 million in financing to leverage over $400,000 in forgivable loans.

NCALL was also able to support the continued redevelopment in the Westside/West Center City neighborhood through target investment around **9th & Tatnall Streets**. Over the past year, it financed the acquisition and renovation of three mixed use commercial properties along West 9th Street. This project includes the creation of about 3,000 square feet of commercial space with seven residential units on upper floors at one property. NCALL was able to also finance the acquisition of an additional five properties which will be developed into a restaurant (1,000 square feet) and additional 11 units of residential. When completed, this financing will have supported more than $7 million of investment to this block and helped to create more than 50 jobs.

Jerry Deen's Restaurant is a popular restaurant relocating to East Side. It will be the first sit-down restaurant in East Side in decades, and is owned by Charly Bass, who grew up in the neighborhood. In addition to providing a much-needed dining option for the neighborhood, the restaurant will also benefit the community by converting a vacant historic building into productive use. Equitable Wilmington Collaborative is providing technical support related to financial recordkeeping as well as trainings specific to food-related business planning.

True Access Capital is leading the effort to fund leasehold improvements, working capital, equipment and inventory purchase for the entertainment venue **House of Laffs** in Westside/West Center City. The owner has adapted to the pandemic and will also host musical performances, art loops, and a transitional sports lounge with themed and streaming events. Also offered will be catering and rentals to area businesses for staff luncheons, business meetings, and private gatherings. The space can accommodate over 800 guests and can be easily transitioned for smaller events to comply with social distancing guidelines.

In Eastside Wilmington, True Access Capital is participating in the **Eastside Rising Initiative**, which focuses on housing stabilization and workforce development in one of Wilmington's oldest neighborhoods, once the thriving center of the city's African American middle class.

This collection of investments touches a wide range of areas, from small business support to recreation to workforce development. Neighborhood and corridor revitalization is important for this reason, because it connects to so many local policy priorities in lifting up a city economy by ensuring broad distribution of the activities that make up that economy.

3.8. Spotlight: Solomon's Court

The Solomon's Court development spans several of the focus areas described in Sections 3.3 through 3.7: it includes both a residential and a commercial component, with an emphasis on attracting commercial tenants that will serve a community need in the products or services that they offer. This project also builds from past investment nearby, where Be Ready CDC and West Side Grows Together transformed a park that was the site of frequent illegal activity into a positive space for the community, complete with a new play area and mural. By building on this nearby investment, the Solomon's Court project serves as yet another step in the revitalization of the 4th Street area, and it is being done in a way to support existing area residents. This project is the brainchild of Pastor Lottie Lee-Davis, who was the pastor at the Be Ready Jesus Is Coming Church for fifteen years before her passing in September 2020.

This development is an example of both the type of work the Collaborative intends to focus on and the power of the Collaborative framework to facilitate cooperation across participating entities. It will bring 4,600 square feet of street level commercial space alongside 18 affordable units, including for individuals with disabilities.

Solomon's Court will replace seven vacant buildings at the site and is intended to catalyze further investment in the surrounding neighborhood. The development, which has been planned over the next several years, is aligned with West Side Grows Together's comprehensive plan for the neighborhood. Phase I is currently underway, and Phase II is scheduled to begin in late 2021 or early 2022.

Equitable Wilmington Collaborative members is supporting this project in a variety of ways. True Access Capital is helping to develop the concept and feasibility, vet potential commercial tenants, and is offering technical assistance to prospective tenants for the commercial space and grant funding for the commercial tenants. NCALL Loan Fund is providing technical assistance for organizational capacity to Be Ready CDC and a bridge loan that is enabling the CDC to close on a half dozen sources of financing and initiate the project. Cinnaire serves as a co-developer to support the construction completion of Solomon's Court. The full Collaborative is also helping to develop the concept and feasibility, vet potential commercial tenants, and is offering technical assistance to prospective tenants.

This is a spotlight project for the Collaborative because of this joint participation, because of the additional dollars its efforts have been able to leverage, and because of the participation of neighborhood groups interested in seeing the site as a catalyst for revitalizing the neighborhood at and around the 4th and Rodney Street intersection of West Side Wilmington.

4. Conclusion: Looking Back, Looking Ahead

2020 was a year unlike any other, which affected both Equitable Wilmington Collaborative's ability to fulfill its intended plans and the needs of the businesses and neighborhoods it is serving. This makes this white paper, and the look back and look ahead that it represents, all the more important as an opportunity to reflect on lessons learned and plan for the work ahead. In this section, we look at the Collaborative's early progress and takeaways from this first year of engagement that has laid the foundation for even more impact in 2021 and beyond.

4.1. Early Progress

As outlined in Section 3 of this report, Equitable Wilmington Collaborative has made substantial progress toward its goals. In this initial year, it launched its governance structure, setting up a framework of inter-organizational cooperation and metrics tracking. Additionally, despite the unprecedented challenges of this year, Equitable Wilmington Collaborative was able to:

- Close on loans to five small businesses with another two in the pipeline that are expected to close early in 2021. The amount of loan capital deployed from program funds totals $414,000 (representing more than one third of the $1.2M committed for small business loans over the three-year period), with another $30,000 expected from the pipeline projects;
- Assist 18 small businesses in the three neighborhoods plan to expand or improve through a combination of workshops, webinars and one on one counseling;
- Issue $1.58 million in community facilities loans to five nonprofit borrowers, to support investments with a combined total project cost of nearly $6 million.
- The Jumpstart Wilmington program launched in October 2020 with 17 trainees, three of whom represented local community-based organizations developing housing and community facilities in the focus neighborhoods. Four additional cohorts are slated for 2021, with over 70 trainees already confirmed to participate.

Of course, it is still early in the collaboration. Future white papers will return to the secondary data outlined in Section 2 and elaborated on in the appendices, supplementing continued data tracking of the direct quantitative and qualitative outcomes of the Collaborative to provide annual snapshots of economic health from which change over time can be monitored. This future tracking, and the ongoing conversations around successes and challenges in this first year, will continue to guide the Collaborative's work.

4.2. Key Takeaways from 2020

2020 presented a number of unforeseen challenges, highlighting existing inequities and forcing Equitable Wilmington Collaborative and its partners to pivot and respond to evolving needs. While important work has been done and some progress has been made at the systemic level to address the particular barriers faced by communities of color, low-income communities, and small business owners, these challenges will not disappear overnight.

While not every year will be like 2020, the ability to make adjustments and be responsive to evolving needs and constraints is an important one. The work that was done over the past year to launch the Collaborative's overall structure and to initialize loans and technical assistance has laid the foundation for continued impact in 2021 and beyond. This is particularly important because it seems the most impactful lessons from 2020 all relate to the power of collaboration in effecting change.

Open Lines of Communication

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

In 2020, the Collaborative commissioned a market study to more fully understand the local market dynamics of the three focus neighborhoods. This serves as a baseline from which the member CDFIs can approach their work. While all three are active in Wilmington and have worked in the neighborhoods before, their different programmatic focus areas mean that each might see things slightly differently, and that each can bring its own lens to discussions around community strengths and challenges.

Similarly, the Community Advisory Committee brings in yet more additional perspectives, providing a direct line of communication with the groups that the Collaborative is working with, along with other key stakeholders in Wilmington. This Committee serves as a forum for regular feedback. As with any newly convened group, the Committee will continue to evolve over time. Even though many individuals and organizations within it have pre-existing and strong relationships with one another and with the Collaborative's member CDFIs, the dynamics of the Committee are particular to the group itself, and the context of COVID-19 and remote meetings has sometimes made it challenging to have the more informal conversations that might take place in in-person meetings.

All of these overlapping forms of communication overlay a tightly knit community of neighborhood-serving organizations that were already in the habit of staying in touch and even collaborating on projects. But these formal communications channels have proven to foster even more coordination, yielding even closer working relationships and laying the foundation for a more unified neighborhood revitalization effort.

Coordinated Resources

While the member CDFIs have worked together in the past, the formalization of this collaboration through the Equitable Wilmington Collaborative structure has created efficiencies and made it easier to share information on a regular basis, as described above. Hence, the regular reporting requirements serve as a prod to collect and socialize key data points, which in turn yields a more unified and ultimately more impactful effort.

In addition to the metrics that are formally collected as part of the process, this program has made it possible for Collaborative members to hire additional staff, dedicate additional resources, and undertake research that would not otherwise have been possible. True Access Capital hired a part-time outreach coordinator who is a long time Wilmington resident with strong ties in the focus

neighborhoods. So far, this person has established between 15 and 20 new referrals and is updating business lists and marketing programs to local businesses and organizations that might benefit from them. True Access Capital was also able to create a full-time role to support small business development and become a major partner at the Equitable Wilmington Collaborative table in representing the CDFI. Part of the success of the coordination is the support of a project specialist who is based in Cinnaire and dedicates a portion of their time to project management. This effort is led and coordinated by Strategy Arts who was contracted to perform the project management responsibilities for a one-year term. They facilitate monthly meetings and support the Collaborative in communicating about pipeline projects and ensuring key functions of their work together is carried out successfully.

Over the remainder of the period, the Collaborative is planning to more fully track referrals between member organizations to identify any potential roadblocks and make it easier to follow up on potential projects. This information sharing portends an increasingly outsized positive impact on neighborhoods of focus, as mutual communication produces mutual resource allocation to the benefit of the households and communities being served.

An Integrated and Flexible Approach to Support

An important lesson from 2020 is that businesses, developers, and community organizations have a complex set of needs that are closely entwined with factors outside of their direct control. This is accounted for in the Collaborative's approach to lending, as implemented by the Collaborative as a whole and by individual members within the Collaborative.

One manifestation of this is through flexible loan terms, conferred within a relationship between lender and recipient that is supportive rather than adversarial in nature. When overall objectives are aligned, it is more possible for recipients to parlay capital access to improved financial conditions, which in turn is a win for the participating lenders. This flexibility also acknowledges the fluid context in which households, businesses, and community organizations are currently operating, as well as recent shifts in prioritization.

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

4.3. Looking Forward to 2021

This report serves as a snapshot in time, to take stock of what has been in 2020, in order to prepare for what will be in 2021. By understanding the overall context of Equitable Wilmington Collaborative's three focus neighborhoods (as seen through demographic information, neighborhood conditions, and existing community organizing and advocacy), as well as the early work that the Collaborative has done, this represents a framework for tracking continued progress over time.

As the COVID-19 vaccine becomes more readily available, the Collaborative looks forward to an easing of restrictions on employee and customer interaction, allowing businesses to serve more customers and

boosting market demand. The Collaborative anticipates that needs and priorities will continue to shift and is prepared to be responsive to these changes. Hence, one likely characteristic of 2021 is for the Collaborative to continue to learn how best to work together and be flexible, adapting to be as supportive as possible to the three neighborhoods of focus and applying lessons learned from initial efforts in 2020.

Furthermore, the Collaborative has identified a number of specific projects that warrant prioritization in 2021 given their resonance with overall objectives and the alignment of opportunities for advancement early in the year:

Spotlight: Capacity Building Fund

Equitable Wilmington Collaborative's Capacity Building Fund is being launched in 2021, with an information session in January followed by an application period extending into March and awards made in April. The target for this fund is to provide up to $15,000 in technical assistance support to neighborhood organizations with an existing presence in the Collaborative's three focus areas. Eligible uses for these funds will include strategic planning, board and staff development, and efforts to increase and organization's online presence. All recipients must have goals that align with the Collaborative's priorities, including following the principles of equitable development.

Spotlight: Latin American Community Center

NCALL is excited to be able to support the Latin American Community Center (LACC). They have been planning on the development of a 15,000 square foot facility in the Westside/West Center City area to support more than 200 children in an early childhood center, creating more than 30 permanent jobs in the process. This $7.8 million project is expected to close on financing by the middle of 2021 and start serving children in 2022.

NCALL has already been providing hands on Technical Assistance to LACC for two years to help them work through the predevelopment work and develop a fundraising approach. As a social service agency, they have worked closely with NCALL to gain expertise to develop a project of this scale. NCALL has committed a $1.4 million New Markets Tax credit supported subordinate loan at 2.5% for a 7-year interest only period.

Spotlight: Jumpstart Wilmington

The Jumpstart Wilmington program launched in October 2020. This first cohort included 17 trainees, three of whom represented local community-based organizations developing housing and community facilities in the Collaborative's focus neighborhoods. Four additional cohorts are slated for 2021, with over 70 trainees already confirmed to participate. Application rounds will open in March and September 2021 to solicit trainees for the 2022 cohorts. A Jumpstart Wilmington Pilot Loan Program will provide a funding mechanism for trainees who complete the Jumpstart Wilmington program to begin seeking acquisition, rehab, and construction loans.

Final Thoughts

2020 was a challenging year in many ways. The global pandemic wrought havoc on households and businesses throughout the city, devastated by job loss, slumping consumer demand, and extended restrictions. These disruptions also laid bare wide disparities in economic opportunity and capital access, as both public health impacts and economic consequences were disproportionately borne by the city's most vulnerable neighborhoods.

As the city looks to rebound in 2021, it must do so in ways that lift up all neighborhoods, which requires creating the conditions for all households and businesses to succeed. The Collaborative's focus on three neighborhoods of great need and great potential holds the promise for outsized positive impact, because as these neighborhoods improve so will the prospects of the city improve, and because the concentration of focus and resources across Collaborative members will generate the necessary momentum for positive change at these geographically smaller scales.

When they first planned their activities for the next three years in early 2020, Collaborative members could not have anticipated how tumultuous the first of those years would be. That tumult has complicated the mechanics of implementing Collaborative initiatives, and it has underscored and deepened the need that those initiatives is addressing. As the Collaborative looks ahead to 2021 and beyond, it builds from an uneven first year, hoping to continue to benefit from the advantages of working together and be responsive to community need in ways that lift up households and businesses.

5. Appendices

Appendix A: Demographic Background Information

Overview

This appendix provides information on the composition of households within Equitable Wilmington Collaborative's focus neighborhoods in terms of race/ethnicity, income level, and homeownership status. The demographic data is scoped to track key metrics throughout the three-year investment to speak to the neighborhood-level change in response to Equitable Wilmington initiatives. ESI used the boundary definitions described in Section 1 of this report to analyze demographic indicators at the census tract level, using data from the U.S. Census 5-Year American Community Survey (2013-2018). 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 24 census tracts around Wilmington with more than 36 percent of Wilmington's 70,000-person total population. In total, the neighborhoods were home to nearly 10,000 households. In 2018, the median household income in Wilmington was nearly $43,000, significantly higher than the median household income for any of the three focus neighborhoods. Similarly, the share of the population in poverty is lower in Wilmington, 25.1 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 44.8 percent, lower than 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 $169,000, than any of the focus neighborhoods. Wilmington is a predominantly Black, with 57 percent of the total population identifying as Black or African American, 29 percent identifying as white, and 1 percent identifying as Asian. Wilmington's Latino and foreign-born populations encompass 10 and 6 of the total population respectively.

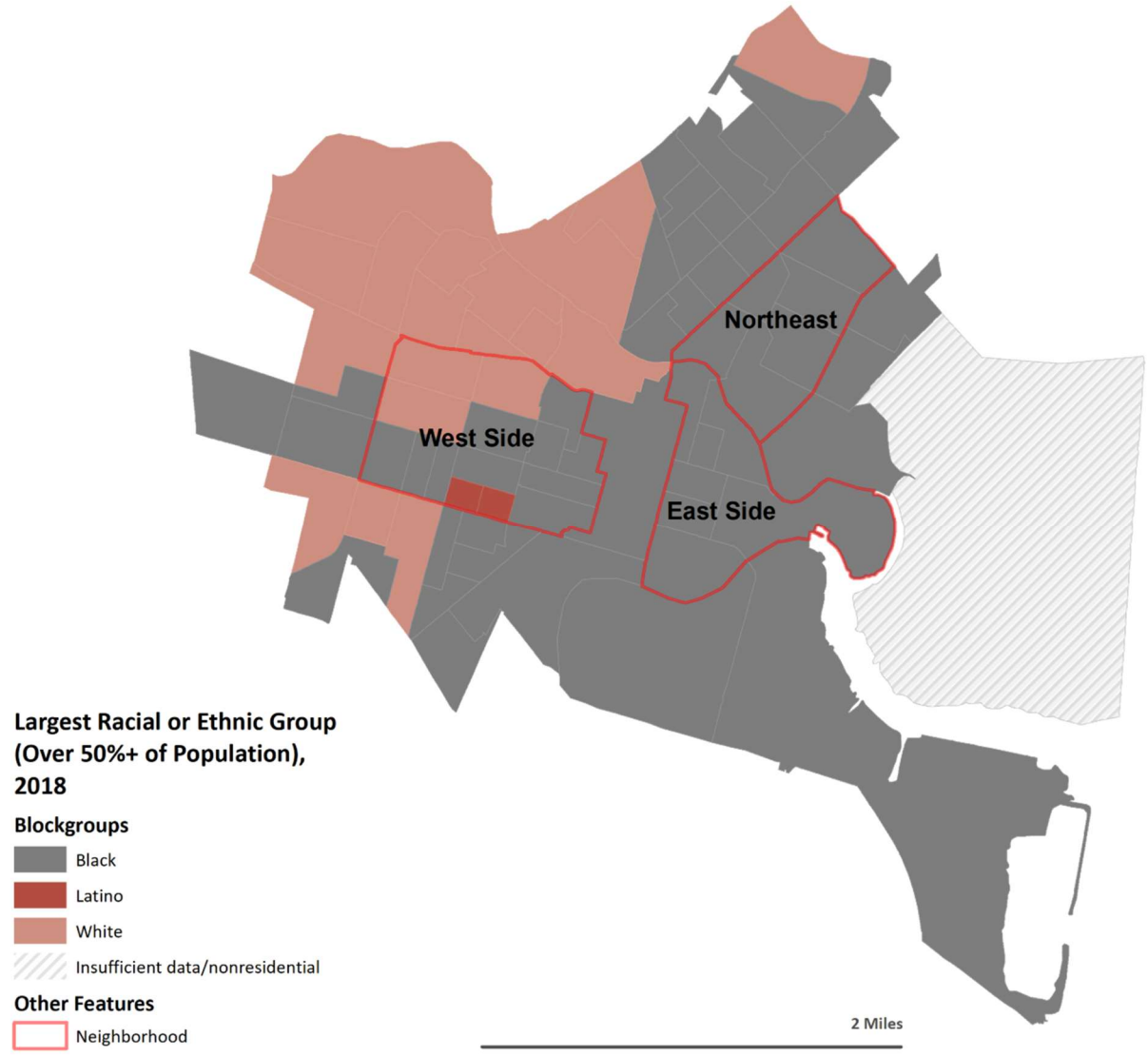
Figure A.1 – Demographics, City of Wilmington and Focus Areas, 2013 and 2018[7]

	2018				Change Since 2013			
Measure	**Wilmington**	**West Side**	**East Side**	**Northeast**	**Wilmington**	**West Side**	**East Side**	**Northeast**
Total Population	70,904	13,667	5,824	6,376	-0.3%	-12.4%	11.8%	1.8%
Area (mi²)	12.6	0.82	0.72	0.57	-	-	-	-
Population Density (people/mi²)	5,630	16,670	8,090	11,190	-0.3%	-12.4%	11.8%	1.8%
Number of Households	28,526	5,385	2,295	2,233	0.3%	-4.4%	5.5%	4.5%
Median Household Income	$42,854	$38,421	$20,720	$34,083	10.7%	18.1%	7.8%	0.2%
Percent of Population in Poverty	25.1%	28.6%	38.1%	33.0%	+1.2pp	-0.2pp	-6.6pp	+1.6pp
Civilian Unemployment Rate	8.4%	8.3%	17.9%	13.6%	-5.3pp	-6.9pp	-12.2pp	-8.4pp
Percent Owner-Occupied (homeownership)	44.8%	33.0%	22.4%	45.5%	-1.8pp	-4.2pp	-3.7pp	-5.0pp
Percent Renter-Occupied	55.2%	67.0%	77.6%	54.5%	-1.8pp	-4.2pp	-3.7pp	-5.0pp
Median Home Value	$169,400	$144,517	$108,550	$97,650	-1.5%	-7.9%	-0.8%	-9.8%
White	29.2%	23.8%	4.2%	4.1%	+0.1pp	+1.4pp	+2.4pp	-3.3pp
Black	57.4%	47.6%	90.3%	91.9%	+2.1pp	-3.1pp	-2.2pp	+6.5pp
Asian	1.2%	2.1%	0.3%	0.5%	+0.4pp	+1.4pp	+0.3pp	-0.1pp
Latino	10.2%	24.1%	3.3%	2.1%	+2.5pp	+0.7pp	-1.5pp	-2.0pp
Other	2.0%	2.4%	1.8%	1.4%	+0.1pp	+0.3pp	+0.9pp	-1.2pp
Foreign-Born Population	6.1%	10.1%	2.5%	1.5%	-0.3pp	+7.7pp	-7.2pp	-4.0pp

American Community Survey (2013-2018)

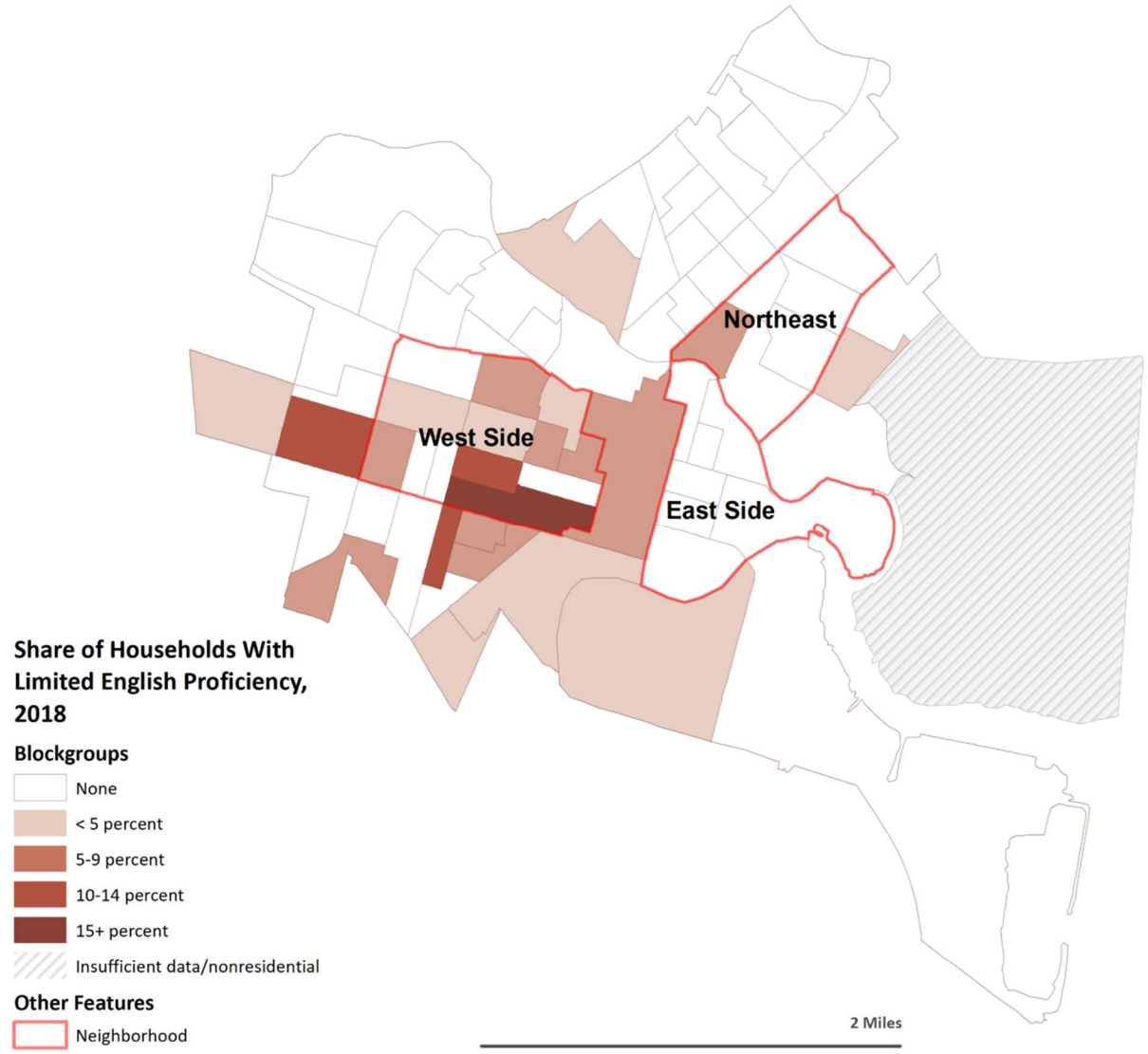
[7] Note that the racial categories represent race by ethnicity. Black, for example, represents Non-Hispanic Black. As such, all categories add up to 100 percent.

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



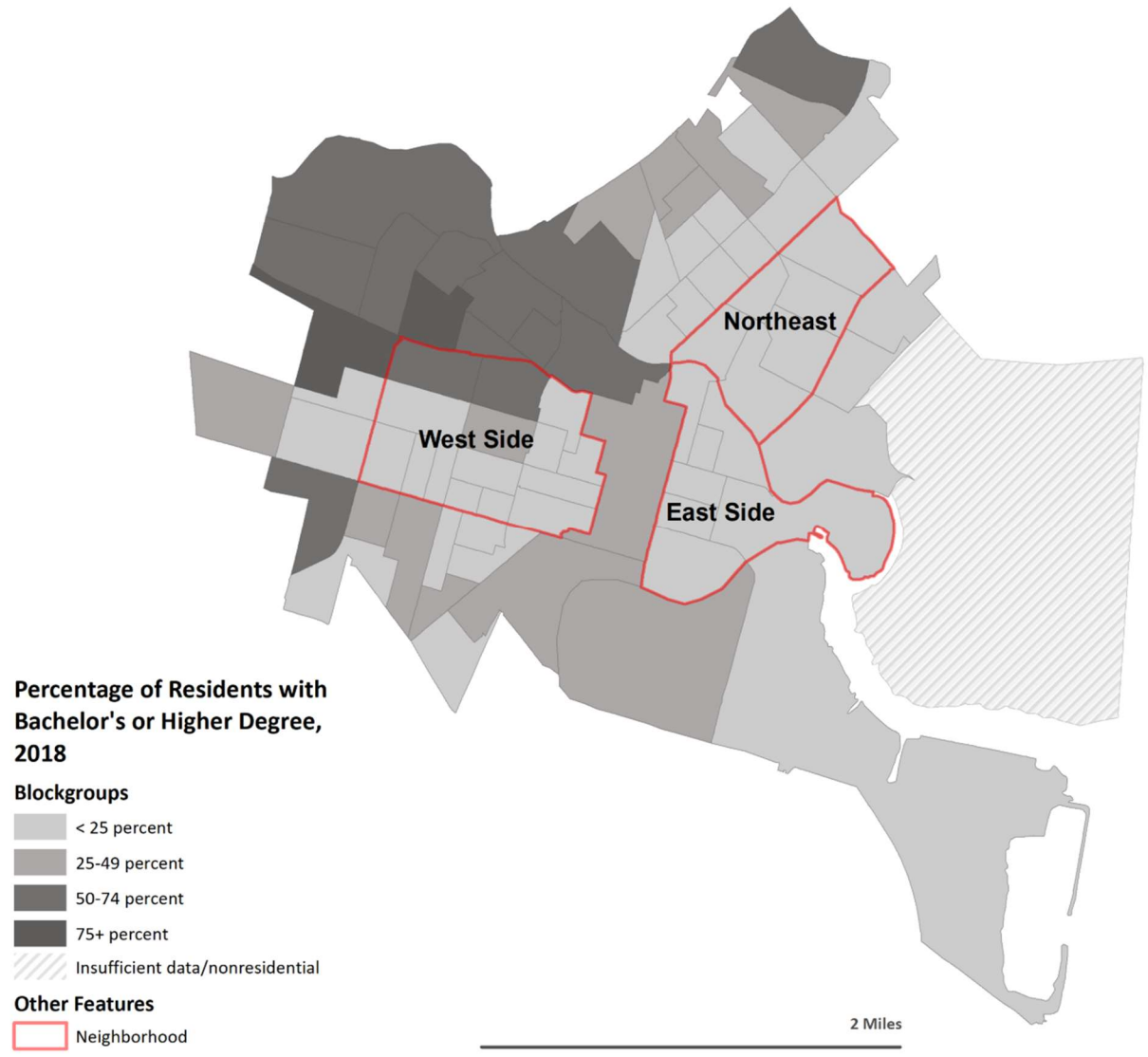
Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

Figure A.3 – Limited English Proficiency, City of Wilmington and Focus Neighborhoods



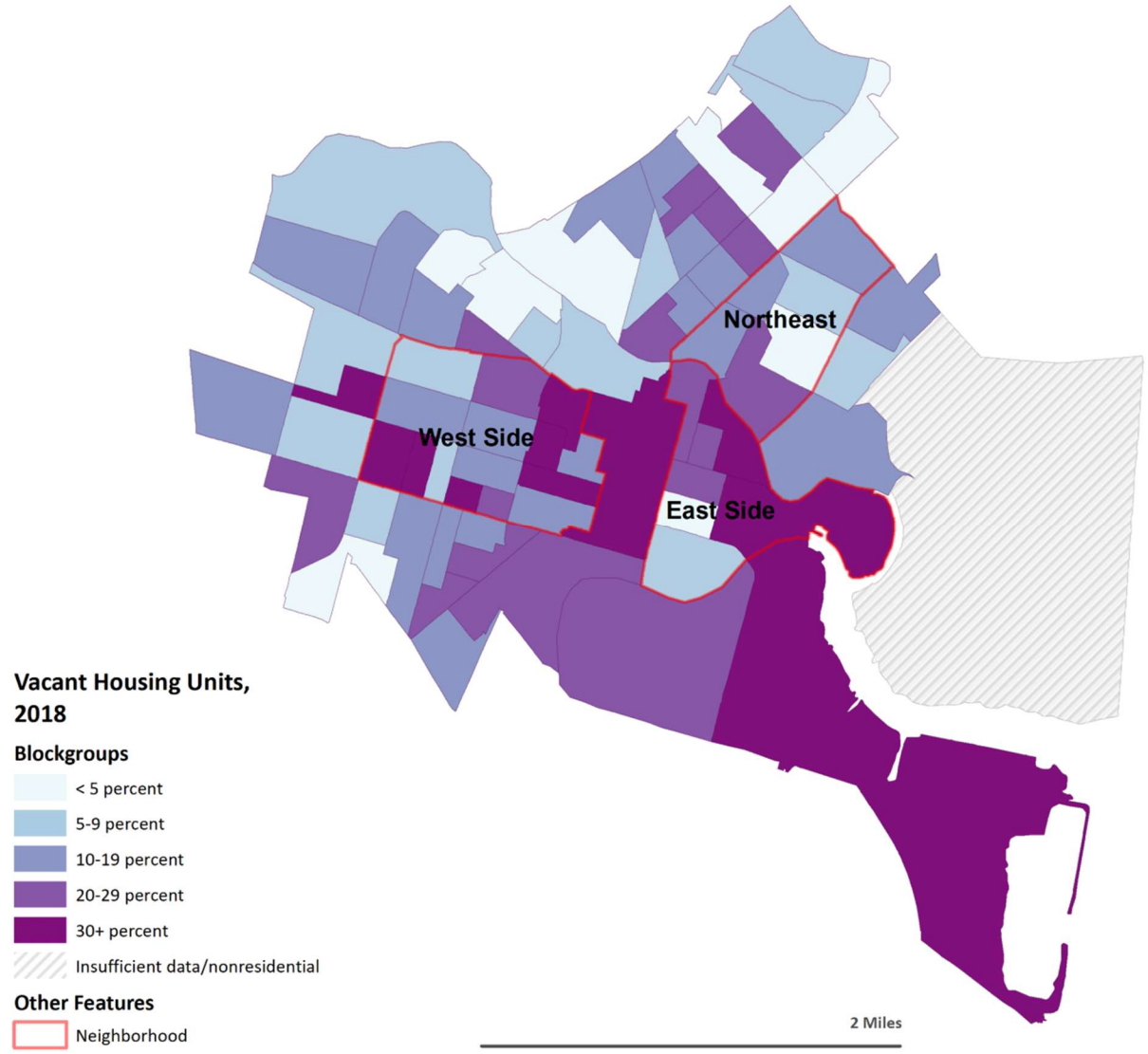
Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

Figure A.4 – Share of Residents with Bachelor's Degree or Higher, City of Wilmington and Focus Neighborhoods



Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

Figure A.5 – Vacant Housing Units, City of Wilmington and Focus Neighborhoods



Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

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 13,700 and 5,400 households in 2018. The median household income is over $38,000 and the percent of the population in poverty is 28.6 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 $145,000, than the other focus neighborhoods. The neighborhood's racial composition is similar to that of Wilmington as a whole, and it has the highest Latino and foreign-born populations of

the three focus neighborhoods, at 24.1 and 10.1 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 5,800 (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 38.1 percent of its population lives in poverty. The Eastside has the highest unemployment rate of the neighborhoods, at nearly 17.9 percent. Low median incomes and high unemployment result in low owner-occupancy rates at 22.4 percent. The median home value of $109,000 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 4.2 percent of residents who are white. The neighborhood's Latino and foreign-born populations (of any race) encompass 3.3 and 2.5 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 6,300 residents (2,200 households), 91.9 percent of whom are Black. The median household income is $34,000, 33 percent of households live in poverty, and the unemployment rate is 13.6 percent. Despite its poor economic conditions, the Northeast has a higher owner-occupancy rate than Wilmington or any other focus neighborhood, at 45.5 percent. This can be explained by the low median home value, $98,000, which makes it more feasible for residents to purchase their houses.

Summary of Demographic Indicators

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

Appendix B: Economic Background Information

Overview

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

Citywide Economic Indicators

Residents of Wilmington work in a wide range of industries and sectors. Over 20 percent of Wilmington residents work in health care and social assistance, followed by retail trade at 11.2 percent, finance and insurance at 10 percent, waste management at 9.3 percent, accommodation and food services at 8.6 percent, educational services at 6.9 percent, and professional, scientific and technical services at 6 percent (see Figure B.2).

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 22.7 percent of total jobs, followed by professional, scientific and technical services at 15.7 percent. The most popular field for residents of Wilmington (as described above), health care and social assistance, is the third most popular 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 reflect the localized neighborhood dynamics (see Figures B1 and B.2)

Figure B.1 - Resident Jobs by Industry, City of Wilmington and Focus Neighborhoods

	Wilmington		West		East		Northeast	
Industry	Count	Share	Count	Share	Count	Share	Count	Share
Agriculture, Forestry, Fishing and Hunting	126	0.4%	33	0.5%	6	0.2%	2	0.1%
Mining, Quarrying, and Oil and Gas Extraction	8	0.0%	1	0.0%	0	0.0%	0	0.0%
Utilities	106	0.3%	18	0.3%	3	0.1%	11	0.4%
Construction	960	3.0%	185	3.0%	58	2.4%	72	2.8%
Manufacturing	1,034	3.2%	172	2.8%	67	2.8%	80	3.1%
Wholesale Trade	750	2.3%	159	2.6%	42	1.7%	51	2.0%
Retail Trade	3,643	11.2%	739	11.9%	286	11.9%	307	12.0%
Transportation and Warehousing	1,393	4.3%	277	4.4%	115	4.8%	152	5.9%
Information	454	1.4%	70	1.1%	45	1.9%	25	1.0%
Finance and Insurance	3,237	10.0%	503	8.1%	162	6.7%	182	7.1%
Real Estate and Rental and Leasing	444	1.4%	89	1.4%	30	1.2%	31	1.2%
Professional, Scientific, and Technical Services	1,946	6.0%	361	5.8%	98	4.1%	110	4.3%
Management of Companies and Enterprises	590	1.8%	101	1.6%	34	1.4%	24	0.9%
Administration & Support, Waste Management and Remediation	3,026	9.3%	656	10.5%	265	11.0%	315	12.3%
Educational Services	2,229	6.9%	415	6.7%	148	6.1%	150	5.9%
Health Care and Social Assistance	6,816	21.0%	1,308	21.0%	620	25.8%	647	25.3%
Arts, Entertainment, and Recreation	596	1.8%	116	1.9%	34	1.4%	35	1.4%
Accommodation and Food Services	2,793	8.6%	632	10.1%	237	9.8%	193	7.6%
Other Services (excluding Public Administration)	924	2.8%	173	2.8%	74	3.1%	75	2.9%
Public Administration	1,447	4.4%	227	3.6%	83	3.4%	93	3.6%
Total	**32,522**	**-**	**6,235**	**-**	**2,407**	**-**	**2,555**	**-**

Source: Longitudinal Employer-Household Dynamics (2017)

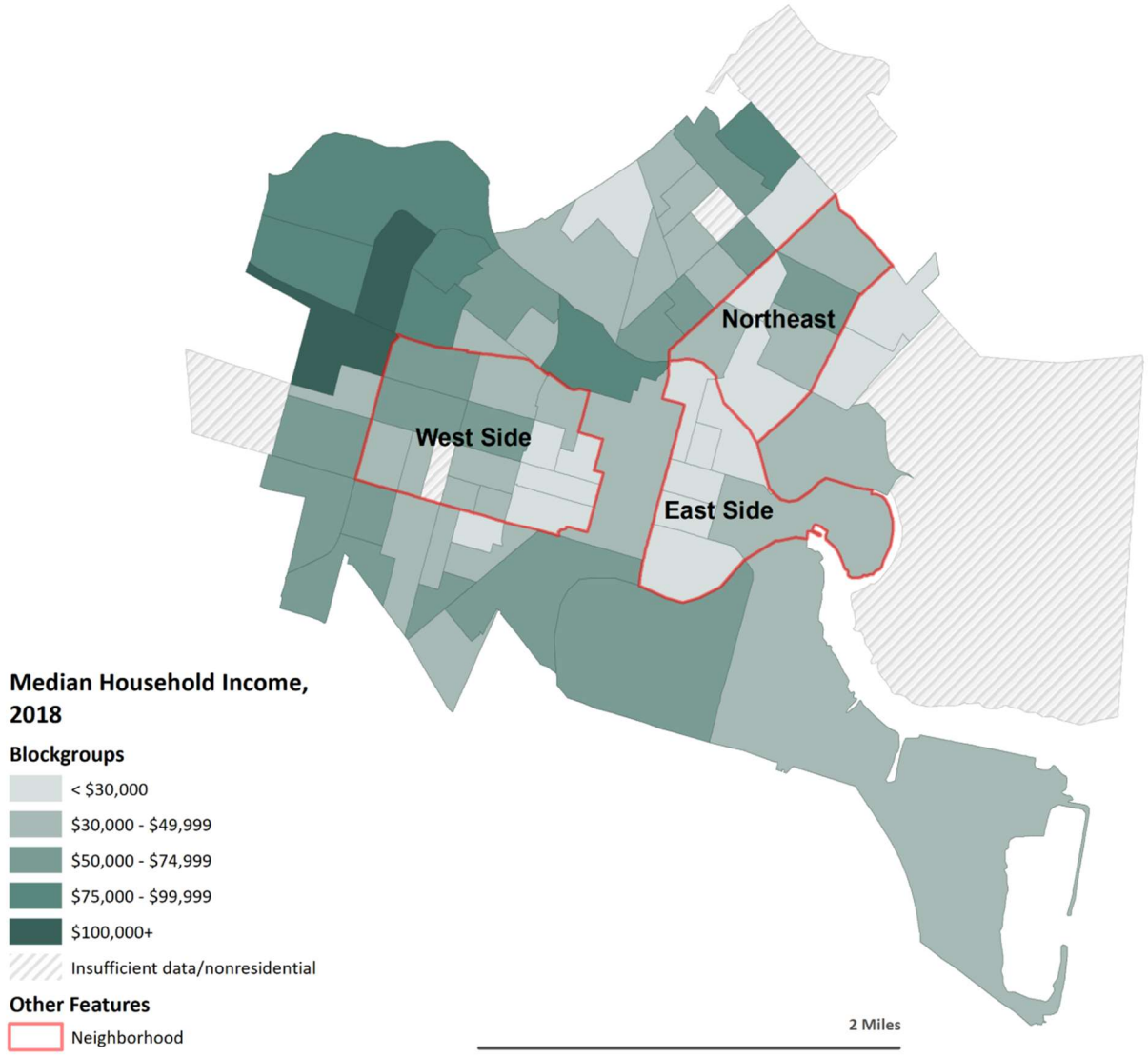
Figure B.2 - Worker Jobs by Industry, City of Wilmington and Focus Neighborhoods

	Wilmington		West		East		Northeast	
Industry	Count	Share	Count	Share	Count	Share	Count	Share
Agriculture, Forestry, Fishing and Hunting	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%
Utilities	685	1.3%	0	0.0%	0	0.0%	0	0.0%
Construction	1,416	2.6%	16	0.3%	153	6.9%	38	4.4%
Manufacturing	630	1.2%	25	0.5%	79	3.6%	219	25.6%
Wholesale Trade	812	1.5%	54	1.0%	290	13.1%	29	3.4%
Retail Trade	2,052	3.8%	466	8.6%	65	2.9%	70	8.2%
Transportation and Warehousing	2,071	3.9%	0	0.0%	37	1.7%	41	4.8%
Information	443	0.8%	19	0.4%	47	2.1%	0	0.0%
Finance and Insurance	12,193	22.7%	1,101	20.4%	0	0.0%	11	1.3%
Real Estate and Rental and Leasing	873	1.6%	70	1.3%	90	4.1%	10	1.2%
Professional, Scientific, and Technical Services	8,451	15.7%	537	9.9%	322	14.6%	9	1.1%
Management of Companies and Enterprises	1,930	3.6%	11	0.2%	9	0.4%	0	0.0%
Administration & Support, Waste Management and Remediation	3,242	6.0%	45	0.8%	31	1.4%	0	0.0%
Educational Services	3,773	7.0%	224	4.1%	443	20.0%	213	24.9%
Health Care and Social Assistance	6,572	12.2%	2,345	43.4%	573	25.9%	191	22.3%
Arts, Entertainment, and Recreation	672	1.3%	6	0.1%	4	0.2%	0	0.0%
Accommodation and Food Services	2,647	4.9%	343	6.3%	2	0.1%	3	0.4%
Other Services (excluding Public Administration)	1,416	2.6%	144	2.7%	67	3.0%	23	2.7%
Public Administration	3,816	7.1%	0	0.0%	0	0.0%	0	0.0%
Total	**53,694**	-	**5,406**	-	**2,212**	-	**857**	-

Source: Longitudinal Employer-Household Dynamics (2017)

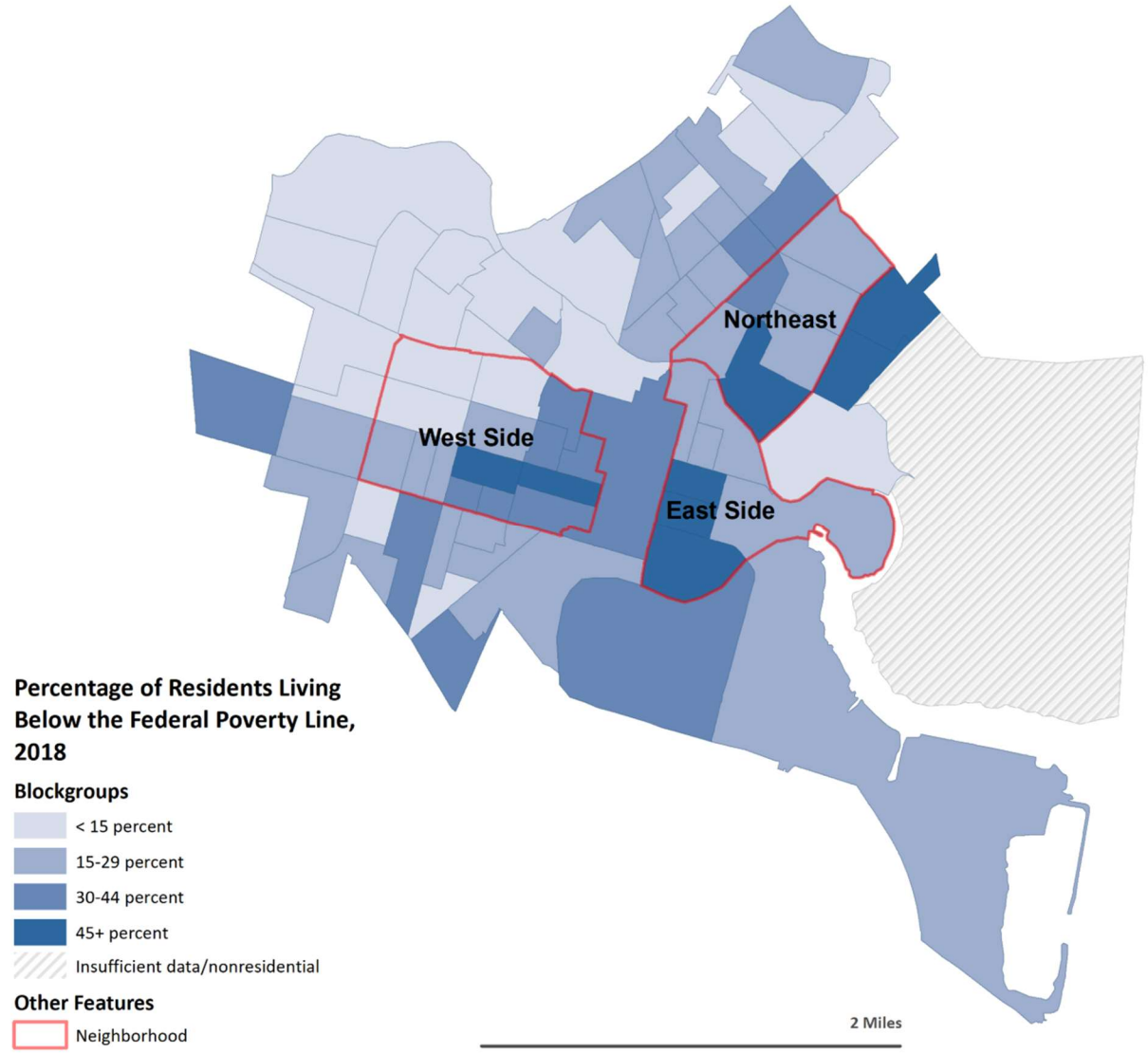
As described in Appendix A, the three focus neighborhoods experience poverty at a higher rate than Wilmington as a whole. Poverty, income, unemployment, and jobs are of course all closely interconnected. Figures B.3, B.4, and B5 illustrate this dynamic.

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



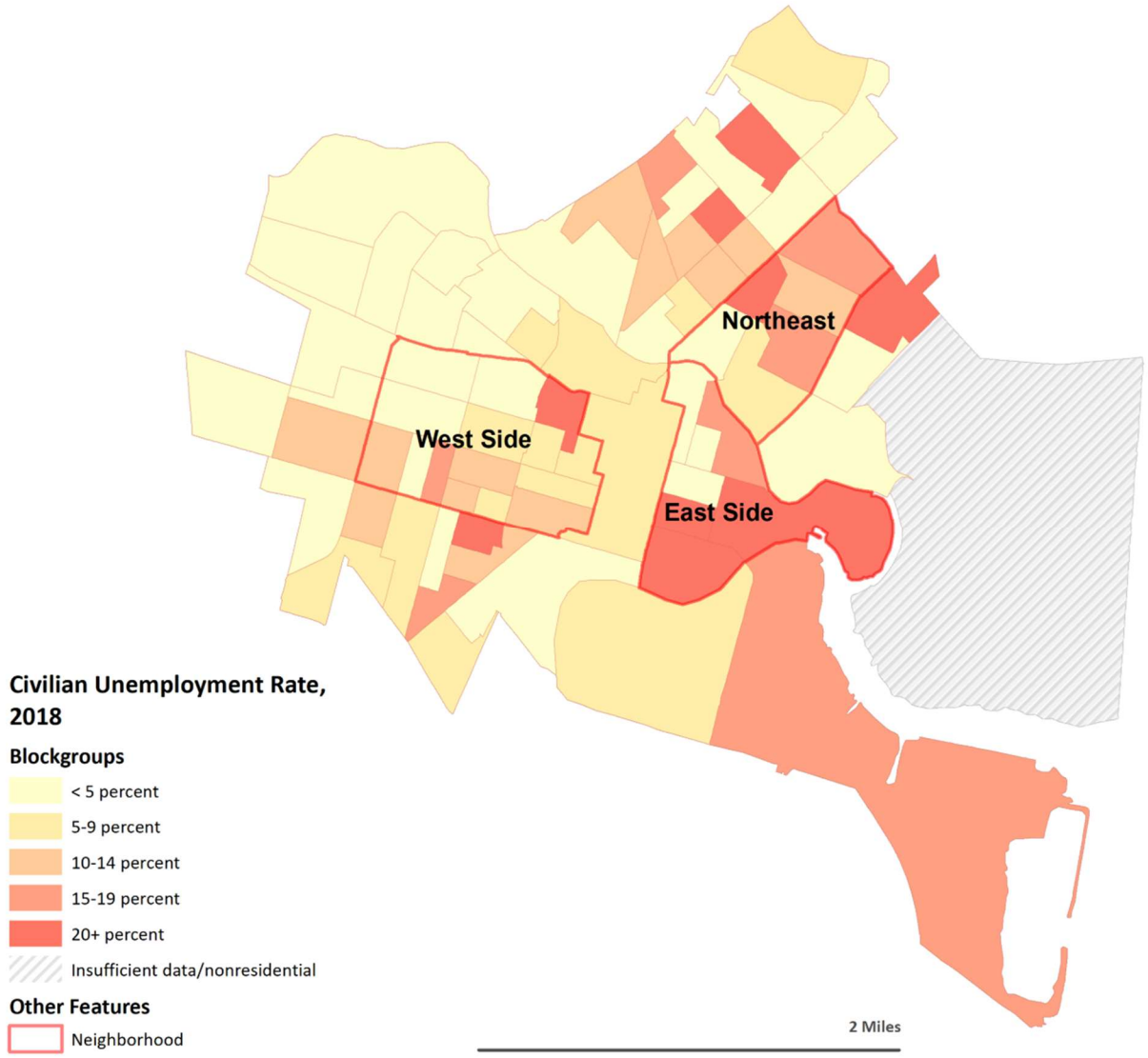
Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

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



Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

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



Source: American Community Survey (2014-2018), Econsult Solutions, Inc. (2020)

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.

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. (2020)

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



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

Neighborhood Focus: Westside/West Center City

One in five residents of Westside/West Center City are employed in health care and social assistance. 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. Westside/West Center City is the largest hub for health care and social assistance positions across both Wilmington and the focus neighborhoods, with 43.3 percent of total jobs belonging to this field. Finance and insurance and professional, scientific and technical services comprise 20.4 percent and 9.9 percent of jobs respectively.

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

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

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

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	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. (2020)

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



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

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 retail Trade, 11 percent in administration and support, waste management and remediation, and 9.8 percent in accommodation and food services. The Eastside's most prominent industry by percent of worker jobs is health care and social assistance (25.9 percent) followed by educational services (20 percent). Wholesale trade yields a higher percentage of employment in the Eastside, at 13.1 percent, than in the other focus neighborhoods. The Eastside has no finance and insurance representation.

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

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

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	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. (2020)

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



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

Neighborhood Focus: Northeast

Employment for residents in the Northeast is similar to employment in Westside/West Center City and in the Eastside. The Northeast has a slightly higher percentage of residents working in administration and support, waste management and remediation (12.3 percent), and a slightly lower percentage of residents working in accommodation and food services (7.6 percent). The low total number of jobs in the Northeast creates a large disparity between the number of total jobs available in the neighborhood, 857, and the number of residents of the neighborhood, 6,400. In the Northeast, the largest sectors in terms of worker jobs are manufacturing (25.6 percent), educational services (24.9 percent), and health care and social assistance (22.3 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 general merchandise stores at $3.7 million, followed by clothing stores ($2.4 million) and home improvement stores ($1.9 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	$9,160,980	$11,842,324	($2,681,344)	(12.8)	9
Automobile Dealers	4411	$7,854,215	$4,904,320	$2,949,895	23.1	4
Other Motor Vehicle Dealers	4412	$752,278	$907,937	($155,659)	(9.4)	1
Auto Parts, Accessories & Tire Stores	4413	$554,487	$6,030,067	($5,475,580)	(83.2)	4
Furniture & Home Furnishings Stores	442	$1,567,853	$0	$1,567,853	100.0	0
Furniture Stores	4421	$868,850	$0	$868,850	100.0	0
Home Furnishings Stores	4422	$699,003	$0	$699,003	100.0	0
Electronics & Appliance Stores	443	$1,164,519	$128,960	$1,035,559	80.1	1
Bldg Materials, Garden Equip. & Supply Stores	444	$2,753,672	$880,959	$1,872,713	51.5	2
Bldg Material & Supplies Dealers	4441	$2,575,928	$195,899	$2,380,029	85.9	1
Lawn & Garden Equip & Supply Stores	4442	$177,744	$685,060	($507,316)	(58.8)	1
Food & Beverage Stores	445	$7,294,519	$12,892,936	($5,598,417)	(27.7)	15
Grocery Stores	4451	$6,104,592	$4,603,914	$1,500,678	14.0	7
Specialty Food Stores	4452	$484,263	$455,252	$29,011	3.1	1
Beer, Wine & Liquor Stores	4453	$705,664	$7,833,770	($7,128,106)	(83.5)	7
Health & Personal Care Stores	446, 4461	$3,084,385	$1,219,108	$1,865,277	43.3	1
Gasoline Stations	447, 4471	$4,492,463	$8,874,455	($4,381,992)	(32.8)	2
Clothing & Clothing Accessories Stores	448	$2,407,166	$0	$2,407,166	100.0	0
Clothing Stores	4481	$1,715,695	$0	$1,715,695	100.0	0
Shoe Stores	4482	$348,481	$0	$348,481	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	$342,990	$0	$342,990	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	$1,385,944	$0	$1,385,944	100.0	0
Sporting Goods/Hobby/Musical Instr Stores	4511	$1,190,089	$0	$1,190,089	100.0	0
Book, Periodical & Music Stores	4512	$195,855	$0	$195,855	100.0	0
General Merchandise Stores	452	$6,707,292	$3,012,427	$3,694,865	38.0	2
Department Stores Excluding Leased Depts.	4521	$4,647,642	$968,704	$3,678,938	65.5	1
Other General Merchandise Stores	4529	$2,059,650	$2,043,723	$15,927	0.4	1
Miscellaneous Store Retailers	453	$2,118,256	$2,812,959	($694,703)	(14.1)	4

Industry	NAICS	Demand - Retail Potential	Supply - Retail Sales	Retail Gap	Leakage/ Surplus Factor	Number of Businesses
Florists	4531	$68,788	$284,196	($215,408)	(61.0)	1
Office Supplies, Stationery & Gift Stores	4532	$449,553	$0	$449,553	100.0	0
Used Merchandise Stores	4533	$221,215	$0	$221,215	100.0	0
Other Miscellaneous Store Retailers	4539	$1,378,700	$2,528,763	($1,150,063)	(29.4)	3
Nonstore Retailers	454	$510,550	$0	$510,550	100.0	0
Electronic Shopping & Mail-Order Houses	4541	$276,122	$0	$276,122	100.0	0
Vending Machine Operators	4542	$63,414	$0	$63,414	100.0	0
Direct Selling Establishments	4543	$171,014	$0	$171,014	100.0	0
Food Services & Drinking Places	722	$4,276,694	$4,205,107	$71,587	0.8	14
Special Food Services	7223	$26,137	$0	$26,137	100.0	0
Drinking Places - Alcoholic Beverages	7224	$62,813	$0	$62,813	100.0	0
Restaurants/Other Eating Places	7225	$4,187,744	$4,205,107	($17,363)	(0.2)	14

Source: ESRI Business Analyst (2017), Econsult Solutions, Inc. (2020)

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



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

Summary of Economic Indicators

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

Appendix C: Home Lending Background Information

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

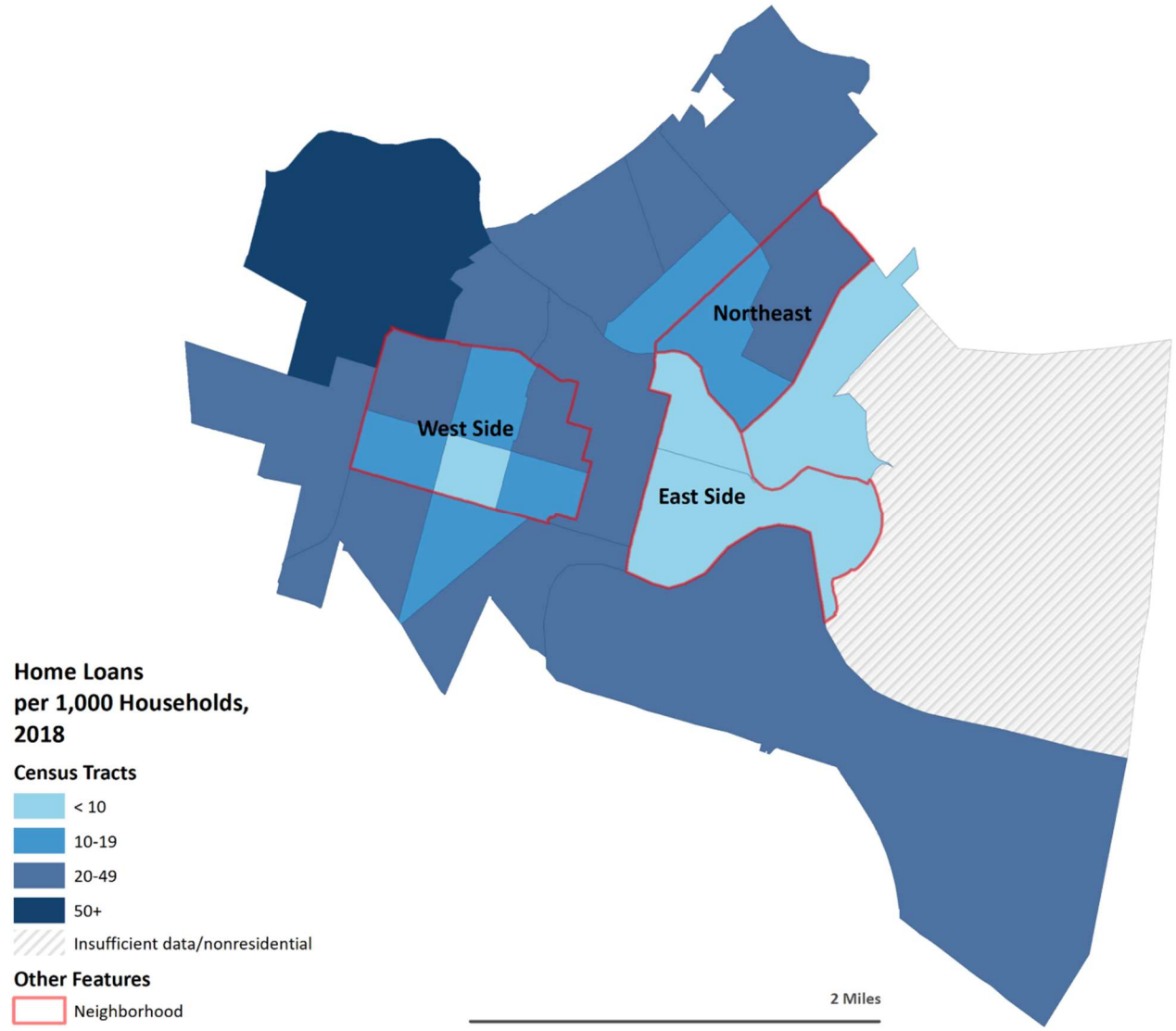
In 2018, financial institutions loaned $140 million in home mortgages to borrowers in Wilmington. White borrowers received nearly 3 times the total loan amount received by Black borrowers, $87.3 million compared to $29.8 million, despite comprising a smaller portion of the total households in Wilmington. Black borrowers have the highest denial rate of any demographic (24.9 percent), similar to that of Asian borrowers (23.8 percent). When financial institutions issue home loans to Black and Latino borrowers, those loans are more likely to be subprime loans, at 42.1 and 38.5 percent respectively, than the loans issued to white borrowers (8.1 percent).

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

Measure	White	Black	Asian	Latino	All Applicants
Total Households	11,387	15,543	414	2,305	28,526
Total Applications	685	566	21	97	1,816
Application Denials	66	141	5	19	274
Application Denial Rate	9.6%	24.9%	23.8%	19.6%	15.1%
Total Loans	409	235	10	39	771
Prime Loans	376	136	10	24	615
Subprime Loans	33	99		15	156
Total Loan Amount ($M)	$87.3	$29.8	$2.3	$5.1	$140.0
Loans per 1,000 Households	35.9	15.1	24.2	16.9	27.0

Source: FFIEC Home Mortgage Disclosure Act (2019), Econsult Solutions, Inc. (2020)

Figure C.2 – Home Loan Distribution, City of Wilmington and Focus Neighborhoods



Source: FFIEC Home Mortgage Disclosure Act (2019), Econsult Solutions, Inc. (2020)

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 24.3 percent, while white borrowers face a denial rate that is less than 15 percent. More than half of the loans financial institutions lend to Black borrowers are subprime.

Figure C.3 – Key Home Lending Metrics, West Side

Measure	White	Black	Asian	Latino	All Applicants
Total Households	2,043	2,735	100	1,101	5,385
Total Applications	94	111	2	24	295
Application Denials	14	27	1	5	53
Application Denial Rate	14.9%	24.3%	50.0%	20.8%	18.0%
Total Loans	55	44	1	10	123
Prime Loans	47	19	1	5	84
Subprime Loans	8	25	-	5	39
Total Loan Amount ($M)	$8.4	$5.7	$0.2	$1.3	$17.8
Loans per 1,000 Households	26.9	16.1	10.0	9.1	22.8

Source: FFIEC Home Mortgage Disclosure Act (2019), Econsult Solutions, Inc. (2020)

Neighborhood Focus: Eastside

Because more than 90 percent of residents in the Eastside are Black, the sample size of demographic comparisons is too small to render the statistics significant. The denial rate for Black borrowers is 30.4 percent. Black borrowers receive only 4.3 home mortgages for every 1,000 households, the lowest of any focus neighborhood.

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

Measure	White	Black	Asian	Latino	All Applicants
Total Households	98	2,101	15	52	2,295
Total Applications	3	23	-	2	48
Application Denials	0	7	-	0	8
Application Denial Rate	0.0	30.4%	-	0.0%	16.7%
Total Loans	1	9	-	1	15
Prime Loans	-	6	-	1	9
Subprime Loans	1	3	-	-	6
Total Loan Amount ($M)	$0.04	$0.80	-	$0.09	$1.14
Loans per 1,000 Households	10.2	4.3	-	19.2	6.5

Source: FFIEC Home Mortgage Disclosure Act (2019), Econsult Solutions, Inc. (2020)

Neighborhood Focus: Northeast

In the Northeast, Black borrowers suffer the highest denial rate of any of the focus neighborhoods at 32.9 percent. Since Black households comprise most of the neighborhood's population, the Northeast has a higher neighborhood-wide denial rate than the West Side or East Side.

Figure C.5 – Key Home Lending Metrics, Northeast

Measure	White	Black	Asian	Latino	All Applicants
Total Households	186	1,973	32	66	2,233
Total Applications	14	76	-	7	135
Application Denials	1	25	-	2	37
Application Denial Rate	7.1%	32.9%	-	28.6%	27.4%
Total Loans	5	28	-	3	38
Prime Loans	3	16	-	1	22
Subprime Loans	2	12	-	2	16
Total Loan Amount ($M)	$0.4	$2.9	-	$0.5	$3.9
Loans per 1,000 Households	26.9	14.2	-	45.5	17.0

Source: FFIEC Home Mortgage Disclosure Act (2019), Econsult Solutions, Inc. (2020)

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 the Westside/West Center City, and financial institutions are more likely to lend subprime mortgages to black and brown borrowers than white borrowers.

Appendix D: Banking & Business Lending Background Information

Overview

Data on bank branch locations in Wilmington provides insight into the availability of financial services in Wilmington's communities. Local banks provide the credit necessary for both residents and small business owners. This section compares the number of bank branches and deposits at each bank across the focus neighborhoods.[8]

Citywide Bank Branch Locations

In 2019, there was a total of 31 bank branch locations in the city of Wilmington. These banks held over $171 billion in deposits. 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.

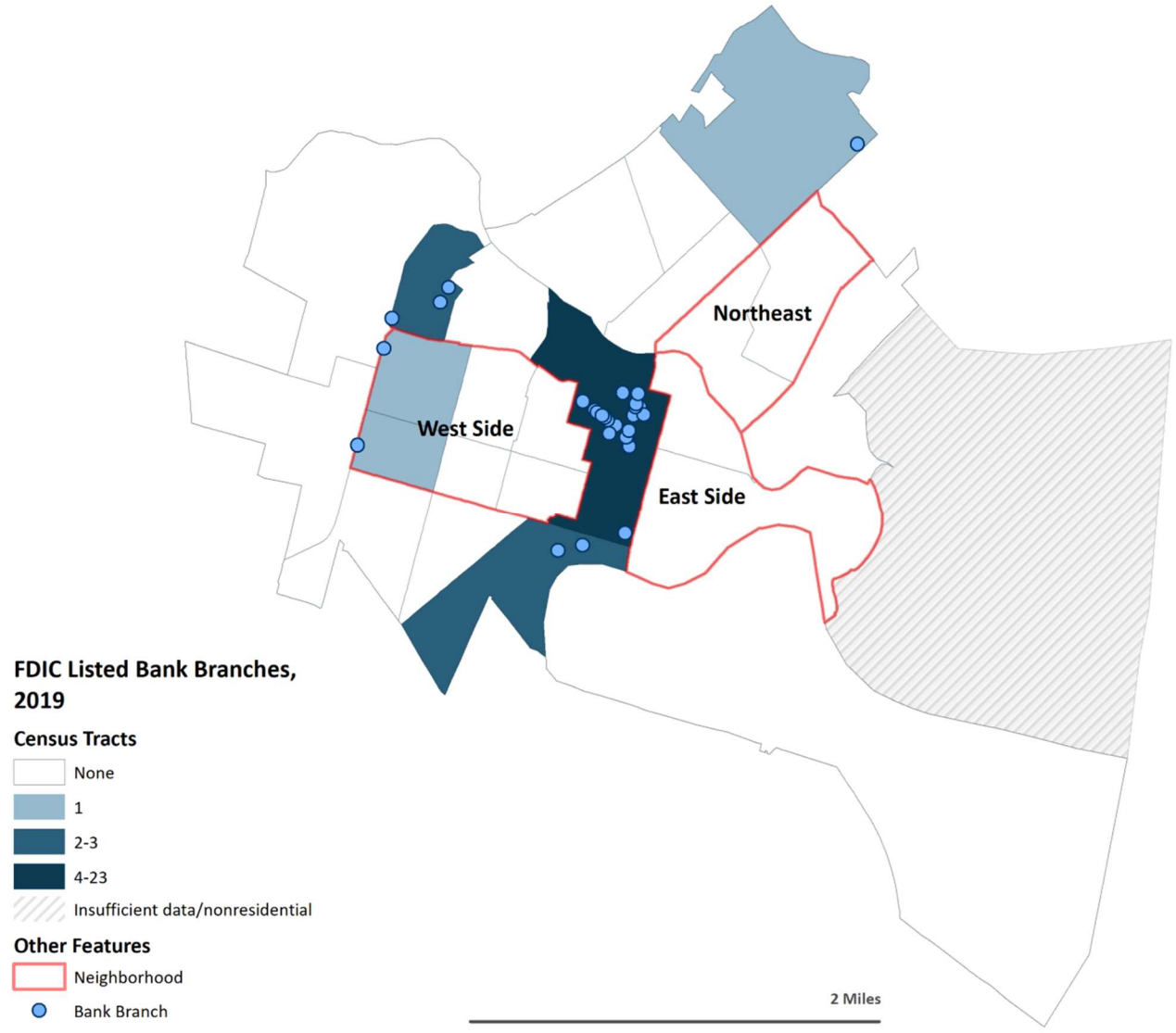
[8] Bank branches included in the analysis are exclusively FDIC-insured institutions which omit credit unions and some other financial service providers.

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

Bank Branch	Bank Branches	Sum of Deposits as of June 30th, 2019 ($M)
PNC Bank, National Association*	1	$91.9
Wilmington Savings Fund Society, FSB*	1	$47.7
Artisans' Bank	1	$23.8
Bank of America, National Association	2	$1,049.8
Barclays Bank Delaware	1	$24,589.0
Capital One, National Association	1	$137,463.5
CIBC National Trust Company	1	$0.0
Citizens Bank, National Association	3	$295.2
First Republic Bank	1	$0.0
HSBC Trust Company (Delaware), National Association	1	$0.5
JPMorgan Chase Bank, National Association	1	$76.0
Manufacturers and Traders Trust Company	4	$1,412.4
Morgan Stanley Private Bank, National Association	1	$0.0
PNC Bank, National Association	5	$827.6
Santander Bank, N.A.	1	$16.7
TD Bank, National Association	1	$178.1
Wells Fargo Bank, National Association	1	$194.2
Wilmington Savings Fund Society, FSB	2	$2,364.5
Wilmington Trust, National Association	2	$3,262.2
Total	**31**	**$171,893.1**

Source: FDIC Summary of Deposits (2019), Econsult Solutions, Inc. (2020)

Figure D.2 – Bank Branches, City of Wilmington and Focus Neighborhoods



Source: FDIC Summary of Deposits (2019), Econsult Solutions, Inc. (2020)

Neighborhood Focus: Westside/West Center City

There are two bank branches in the Westside/West Center City. These two banks hold a total of over $139 million in deposits. The larger bank of the two, in terms of total deposits held, is PNC Bank, National Association.

Figure D.3 –Bank Branches and Deposits by Bank, City of Wilmington

Bank Branch	Bank Branches	Sum of Deposits as of June 30th, 2019 ($M)
PNC Bank, National Association	1	$91.9
Wilmington Savings Fund Society, FSB	1	$47.7
Total	**2**	**$139.6**

Source: FDIC Summary of Deposits (2019), Econsult Solutions, Inc. (2020)

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 is the only neighborhood with any bank branches The lack of bank branches in the Eastside and the Northeast speaks to the inaccessibility of financial services to small business owners and residents in these areas.

Appendix E: Business Lending Background Information

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

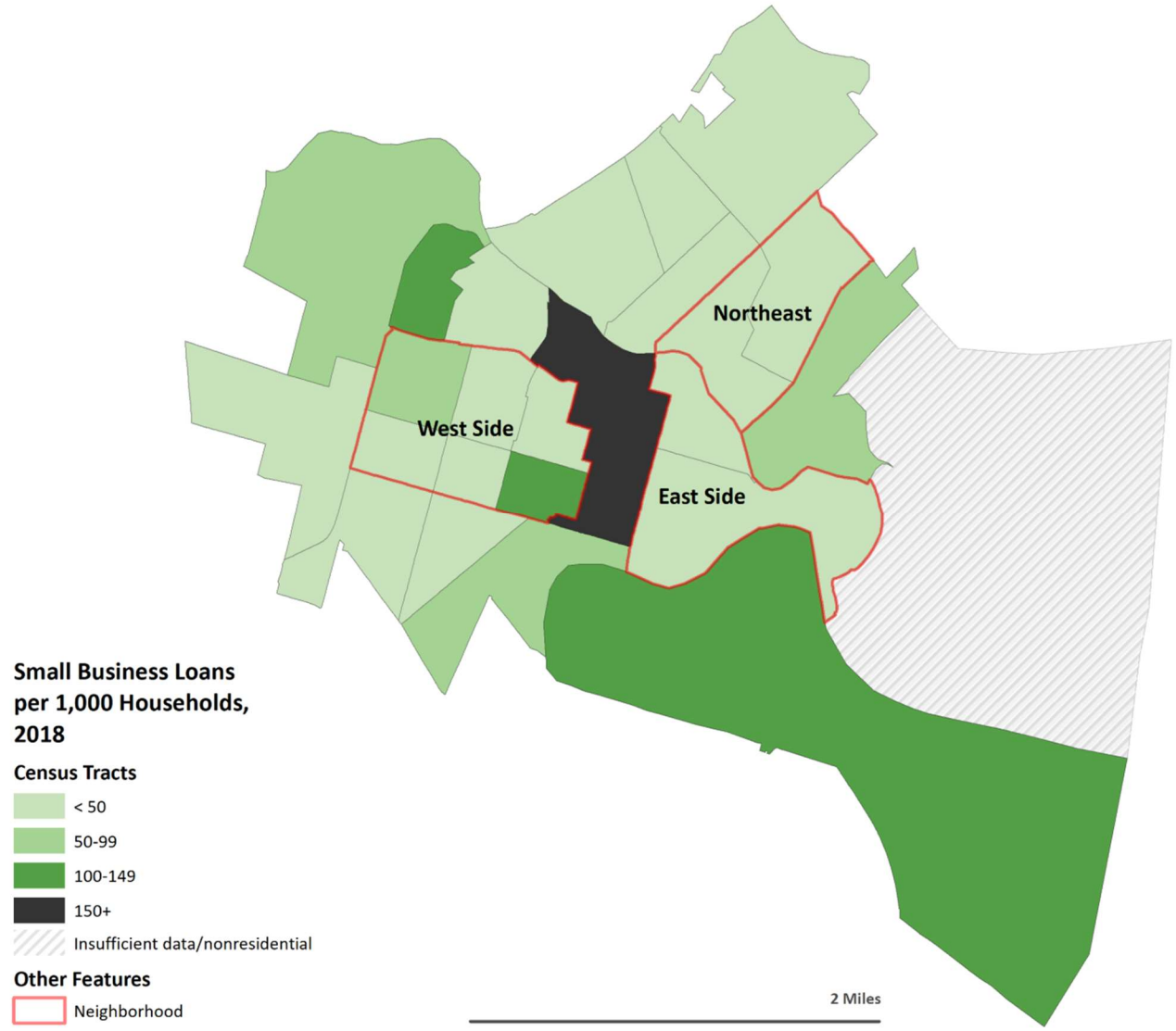
According to CRA data, 1,929 loans with an aggregate value of $91 million were issued to small businesses in Wilmington in 2018. Of these loans, 791 were extended to small businesses with annual revenues of less than $1 million.

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
West Side	221	$5.9	101
East Side	53	$3.0	14
Northeast	55	$1.1	29
Rest of Wilmington	1,600	$81.3	647
Total	**1,929**	**$91.4**	**791**

Source: FFIEC Community Reinvestment Act (2019), Econsult Solutions, Inc. (2020)

Figure E.2 – Small Business Loan Distribution, City of Wilmington and Focus Neighborhoods



Source: FFIEC Community Reinvestment Act (2019), Econsult Solutions, Inc. (2020)

Neighborhood Focus: Westside/West Center City

221 loans with an aggregate value of $5.9 million were originated to small businesses in the West Side in 2018. Of these loans, 101 were originated to small businesses with annual revenues of less than $1 million.

Figure E.3 - 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	221	$5.9	101
Total	**221**	**$5.9**	**101**

Source: FFIEC Community Reinvestment Act (2019), Econsult Solutions, Inc. (2020)

Neighborhood Focus: Eastside

53 loans with an aggregate value of $3.0 million were originated to small businesses in the Eastside in 2018. Of these loans, 14 were originated to small businesses with annual revenues of less than $1 million.

Figure E.4 - 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	53	$3.0	14
Total	**53**	**$3.0**	**14**

Source: FFIEC Community Reinvestment Act (2019), Econsult Solutions, Inc. (2020)

Neighborhood Focus: Northeast

55 loans with an aggregate value of $1.1 million were originated to small businesses in the Northeast in 2018. Of these loans, 29 were originated to small businesses with annual revenues of less than $1 million.

Figure E.5 - 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	55	$1.1	29
Total	**55**	**$1.1**	**29**

Source: FFIEC Community Reinvestment Act (2019)

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.[9] 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.[10]

The existence and performance of these vibrant businesses depend on how banks and other financial intermediaries are responding to their credit needs. In Wilmington, nearly 2,000 small businesses have received loans of over $90 million to meet their credit needs. Within the three focus areas, the majority of loans have been distributed in the West Side, where the majority of small businesses are located.

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.

[9] 2018 Small Business Profile. U.S. Small Business Administration.
[10] 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.