

Legislation Text

File #: 15-21189, Version: 1

Corridors of Opportunity Emerging Developers Training Program Support

Action:

- A. Authorize the City Manager, or his designee, to negotiate and execute a contract for up to \$600,000 with Local Initiatives Support Corporation for the operation, administration, and management of the currently named Corridors of Opportunity Emerging Real Estate Developers training program, and**
- B. Authorize the City Manager, or his designee, to execute, amend, and renew contracts and other documents as needed to complete this transaction.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Monica Holmes, Planning, Design & Development

Explanation

- This initiative is in support of the city's ongoing efforts to provide training for minority development professionals to engage in the corridors.
- The Corridors of Opportunity Emerging Real Estate Developers Training Program is being established to address challenges faced by emerging real estate developers, with a focus on minority-owned developers, specifically:
 - Access to Capital: Emerging minority developers possess less personal or family wealth and critical investor and banking connections and face significant obstacles in accessing capital, particularly from traditional financial institutions.
 - Access to Networks: Emerging minority developers disproportionately lack the access to and relationships with robust professional industry networks that would offer them advantages in the real estate development industry and ecosystem.
 - Lagging Development Project Progression: Due to the difficulty in obtaining necessary funding, many emerging minority developers are not able to advance their development projects in a timely manner. The inability to complete development projects can hinder their economic impact in the City of Charlotte and the Corridors of Opportunity.
- The goal of the program is to train and support diverse professionals over three years to dramatically accelerate the number of credit-worthy developers ready to utilize capital and advance their projects, with a focus on MWSBEs and/or developers active in the Corridors of Opportunity.
- The program fulfills one of the recommendations from the Corridors of Opportunity Employment Study:
 - Create an Equitable Development Program: Create curricula to train and certify minority development professionals to engage in the corridors
- The program will be managed by Local Initiatives Support Corporation (LISC). LISC will provide and oversee:
 - Market assessments,
 - Cohort application process,
 - Applicant recruitment,
 - Marketing,
 - Program planning and implementation,

- Site orientation,
 - Technical support,
 - Coaches, training and orientation, and
 - Shark tank pitch contest.
- The Charlotte Business INClusion Office will work closely with LISC to ensure eligible city-certified MWSBEs are supported through training and capital access.
- The estimated total cost of the program over three years is \$700,000. Private sector partner, LISC, will provide all other funds needed to launch and maintain the program.
- The city's contribution to the program will support the start-up, operation, administration, and management of the program.
- The program is expected to provide training, coaching, mentorship, access to credit enhancement funds, access to capital, real-time assistance with deals in the project pipeline, and access to networking events with experienced real estate developers, both local and national, over three years.
- The program will include a spring and fall cohort each year.
- LISC will coordinate with local universities with real estate programs to create a pipeline of applicants for the program.
- A waiver of a competitive solicitation process for services may be granted on a limited basis when deemed appropriate and in the city's best interest.
- A waiver has been approved for these services based on limited vendors with required qualifications as LISC has developed a unique model to implement the program.

Background

- On March 11, 2021, in response to the COVID-19 public health emergency, President Biden signed the American Rescue Plan Act of 2021 (ARPA), which included the Coronavirus State and Local Fiscal Recovery Fund. Charlotte was one of almost 1,000 cities across the nation that received these funds.
- On February 14, 2022, Council authorized the use of up to \$3,000,000 of ARPA funds to implement recommendations associated with the Employment Study for the City's Corridors of Opportunity.

Charlotte Business INClusion

This contract is exempt under the CBI Program.

Fiscal Note

Funding: American Rescue Plan Act (ARPA) Funds

Attachment(s)

Corridors of Opportunity Employment Study Recommendations Report
September 11, 2023 Corridors of Opportunity Action Review Presentation