



PROSPER
PORTLAND
Building an Equitable Economy

DATE: August 9, 2017
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 17-35

Update on the Small Business Technical Assistance Partnership and Authorizing a Subrecipient Contract with Portland State University to Implement a Portion of the Small Business Technical Assistance Partnership During Fiscal Year 2017-18

BOARD ACTION REQUESTED

Adopt Resolution No. 7249

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

At the August 9, 2017 Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the Small Business Technical Assistance Partnership (SBTAP), a new Prosper Portland initiative that provides partner service providers with critical resources to assist minority and women business owners and entrepreneurs. SBTAP is designed to achieve the following outcomes by 2020:

1,000	Businesses strong and stable
250	Businesses achieve growth milestones
25	Businesses scale to double or triple their size
100	Traded sector startups launch into the market

In addition to providing an update on SBTAP at the August 9, 2017 meeting, staff will request that the Prosper Portland Board authorize the execution of one of the eleven contracts, as it will exceed the Executive Director's signature authority.

Implementation and funding of SBTAP supports Objective 3 of Prosper Portland's 2015-2020 Strategic Plan: Foster Wealth Creation within Communities of Color and Low-Income Neighborhoods. Specifically, SBTAP supports the advancement of actions 3.1 (Inclusive Innovation) and 3.2 (Business Growth): to support and cultivate high-growth entrepreneurs from underrepresented populations, and encourage thriving businesses that provide wealth creation opportunities for Portlanders of color and within low-income neighborhoods.

BACKGROUND AND CONTEXT

For the past decade, Prosper Portland developed and managed multiple programs to support minority and women entrepreneurs and business owners. In some instances, Prosper Portland managed contracts with organizations providing technical assistance (such as the Microenterprise and Small Business Development program); in other cases Prosper Portland ran the programs in-house (such as the Increase Project and Startup PDX Challenge). Each program is tailored to the needs of different types of business owners.

SBTAP is a portfolio approach to operating these programs, capitalizing on Prosper Portland's greatest strengths as a convener and creating a more efficient and effective service delivery system.

Prosper Portland will implement the SBTAP through grants to service providers (see Attachment A for a complete list of providers), which deliver or coordinate the delivery of assistance to minority and women business owners. In this new approach, Prosper Portland will no longer operate Startup PDX Challenge and the Increase Project in-house but rather partner with other organizations to operate these important programs.

COMMUNITY AND PUBLIC BENEFIT

SBTAP seeks greater impact for its programs through better coordination and communication and will transform the resource landscape for underrepresented business owners. Through SBTAP, Prosper Portland will improve service delivery to minority and women entrepreneurs by achieving three goals:

1. **Lead with outcomes.** Set ambitious goals to see more minority-owned businesses grow and scale. Design a common-sense reporting system in collaboration with service providers that reports on outcomes, not just outputs.
2. **Improve service delivery.** Coordinate services across an existing portfolio of programs and services designed for minority and female entrepreneurs. Allow user feedback from both businesses and organizations to improve design of the delivery system.
3. **Support an inclusive learning community.** Create and grow a learning community across sectors for practitioners focused on serving entrepreneurs of color and female entrepreneurs. Develop a shared mission among a variety of organizations and a shared language for racial equity.

EQUITY IMPACT

SBTAP is designed to serve entrepreneurs who are currently underrepresented as successful business owners in Portland, whether they are low income or identify as a person of color or other underrepresented identity. Of the 1,000 strong and stabilized businesses, staff anticipates 75 percent will be owned by people of color. The 1,000 businesses will receive technical assistance and resources to increase their business resiliency and create wealth for themselves and their families.

COMMUNITY PARTICIPATION AND FEEDBACK

After receiving preliminary in SBTAP interest from 70 organizations, staff held a feedback session in early February at which more than 90 people attended. Staff reviewed the SBTAP concept and received feedback on the service categories. Overwhelmingly, staff heard that Prosper Portland should expand Supplemental Services into two categories, one for culturally specific services and one for professional and specialized services.

From this conversation staff created a scope for the Cultural Liaison and Business Intake service category to include in the RFP, and decided to delay the process for professional and specialized services until after selections for the larger SBTAP had been made. That way, providers could weigh in on what other services were needed.

In February 2017, Prosper Portland issued Requests for Proposals (RFPs) to select providers for the service categories of Traded Sector Startups, Microenterprise and Small Business Development, Cultural Liaison and Business Intake, Small Business Growth, and Business Support for Division Transit Project. The process of selecting new providers was done in an open and transparent manner and involved significant outreach and input from existing providers and other entities interested in SBTAP.

Staff held an open house in early March, which 48 people attended. At the close of the RFP, Prosper Portland had received 41 proposals from 23 unique organizations.

Proposals were reviewed by four diverse selection committees which used the following criteria for evaluation:

- Thoroughness and clarity of response
- Experience and qualifications
- Demonstrated past performance
- Proposed vision and consistency with SBTAP goals

The selection committees and Prosper Portland staff recommended awarding contracts to 11 service providers. Since the contract (Subrecipient Agreement) with Portland State University Business Outreach Program (PSU BOP) exceeds the Executive Director’s signature authority, staff is requesting Prosper Portland Board approval. A twelfth contract will be issued at the completion of a current RFP process for a N/NE Business Navigator. Staff anticipates this contract will be executed in September 2017.

BUDGET AND FINANCIAL INFORMATION

The Fiscal Year (FY) 2017-2018 budget for SBTAP with all funding sources is shown in Table 1 below.

Table 1 – Estimated SBTAP Budget

Revenue	
General Fund	\$ 1,282,215
Community Development Block Grant	\$ 502,667
Enterprise Zone	\$ 673,715
Bureau of Planning and Sustainability Intergovernmental Agreement	\$ 100,000
Total Revenue	\$ 2,558,597

Community Development Block Grant funds support the microenterprise portion of SBTAP, which also implements the Economic Opportunity Initiative. Funding from the City of Portland (City) Bureau of Planning and Sustainability comes from a Metro grant to implement the Powell-Division Action Plan and within SBTAP will fund business support services along the Division Street corridor.

In addition to the contracts detailed in Attachment A, Prosper Portland staff has identified needs for additional funding to support SBTAP, including expansion of the online outcome tracking tool, equity training and facilitation, support for ecosystem participation in quarterly convenings, and materials for the small business growth program. Staff is actively looking for additional resources to support these needs. Therefore staff is requesting that the Prosper Portland Board authorize the Executive Director to execute amendments to the Subrecipient Agreement with the PSU BOP up to an additional \$500,000 as needed and when such additional funding becomes available.

Future funding of SBTAP will be dependent on Community Development Block Grant and City General Fund allocations.

RISK ASSESSMENT

The following processes and contractual obligations will ensure that contractors deliver optimal service and work toward the goals of SBTAP:

- Contractors are required to report quarterly on accomplishments, challenges, and outcomes.
- Contractors are invoiced monthly and reimbursed for program costs.
- Contractors are asked to collaborate with Prosper Portland to administer a client survey every year.
- The PSU BOP contract will require PSU BOP to adhere to federal regulations regarding the use of CDBG funds.

ATTACHMENTS

- A. List of FY 2017-18 SBTAP Service Providers and Programs

List of FY 17-18 SBTAP Service Providers and Programs

Asian Pacific American Network of Oregon (APANO) \$66,841

Building on its existing youth, leadership and adult education programming for the Asian Pacific Islander (API) community as well as its role as manager of the Jade District, APANO will focus on providing multicultural outreach and partner referral for API business owners in Portland. In a unique partnership with the PSU Business Outreach Program, APANO will provide culturally relevant assistance for business owners impacted by the Division Transit Project.

Hacienda CDC \$100,000

Through collaboration with the Food Innovation Center (FIC), Hacienda CDC will promote the accelerated growth of minority-owned food businesses in the City of Portland from startup to traded sector. This project will combine FIC's in-depth knowledge of product and process development, bringing entrepreneurs to wider markets, and consumer sensory and food safety testing with Hacienda CDC's strong incubation of low-income entrepreneurs of color in its robust and bilingual food incubator.

Hispanic Metropolitan Chamber (HMC) \$387,563

Since 2002, Hispanic Metropolitan Chamber (HMC) has provided continuous, long-term, business technical assistance to Latinos and communities of color in Oregon and SW Washington. HMC provides bilingual/bicultural outreach and long-term one-on-one advising and business development services throughout a client's business life. HMC will be expanding its program through a partnership with Neighborhood House to support the ongoing development of Latina in-home child care providers.

Immigrant and Refugee Community Organization (IRCO) \$50,000

Fulfilling its mission as Portland's anchor for the immigrant and refugee community, IRCO delivers culturally specific and multilingual services to connect talented, aspiring business owners with the advice and support they need to transform their dreams into thriving businesses in our community.

Micro Enterprise Services of Oregon (MESO) \$464,817

MESO's mission is to improve economic opportunities of underserved individuals through empowerment, education, and entrepreneurship for the benefit of families in the greater Portland community. MESO provides financing, matched savings, market research and tailored one-on-one business advising within the SBTAP network. MESO will be expanding its program through a partnership with Neighborhood House to support the ongoing development of in-home child care providers.

Native American Youth and Family Center (NAYA) \$95,000

NAYA will provide one-on-one and classroom business education for Native American business owners in Portland. NAYA's microenterprise program will also support Native vendors through its marketplace and powwow. Eligible clients will be connected to financial literacy classes and business individual development accounts.

Oregon Native American Chamber (ONAC) \$45,000

ONAC is developing a statewide infrastructure of support and connection to Native American business mentors known as the ONE Coalition and will partner with NAYA to deliver services to Native American business owners in Portland.

Portland Incubator Experiment (PIE) **\$150,000**

PIE will manage an incubator for diverse founders, building on collective lessons learned and mentor networks from nearly a decade of actively developing, managing, partnering, and innovating in a variety of co-working, incubator, and accelerator programs in the Portland area.

Portland State University Business Outreach Program (PSU BOP) **\$570,721**

The PSU BOP provides technical assistance and business consulting services to small business owners and entrepreneurs through professional one-on-one consulting to help businesses grow and thrive. PSU will also partner with APANO to offer technical assistance to businesses impacted by the Division Transit Project and will facilitate a peer learning program for growing small businesses owned by people of color. Since 1994, PSU BOP has focused on serving local small businesses, including minority and women-owned enterprises.

TiE Oregon **\$50,000**

Through startup bootcamps for underrepresented entrepreneurs, TiE Oregon will introduce entrepreneurs to the startup network and provide education, connection to mentors and funding sources for concept-stage founders of technology and consumer products companies.

Xxcelerate Fund **\$137,500**

XXcelerate was developed by women entrepreneurs for women entrepreneurs. Founders imagine a world where funding women is the norm, not the exception. Its goal is simple: more women-owned and women-of-color-owned businesses that are bankable, investable, or profitable and independent. XXcelerate Fund builds equity in entrepreneurship through a year-long educational and peer support program, revolving loan fund, and conference and trade show support.

N/NE Business Navigator (Provider to be Determined) **\$100,000**