

**Buncombe County FY2019 Strategic Partnership Grants  
Application Summary Sheet**

<b>Project</b>	<b>Building an Inclusive and Innovative Local Economy through Access to Capital and Coaching</b>
<b>Organization</b>	<b>Mountain BizWorks</b>

<b>Amount Requested</b>	\$100,000	<b>Strategic Priority or Sustainability Goal</b>	Diverse Community Workforce
<b>New or Renewal Request</b>	New	<b>Area Served</b>	District 1, 2 and 3

<b>Organization Description</b>	<ul style="list-style-type: none"> <li>Mountain BizWorks (MBW) is a U.S. Treasury certified non-profit community development financial institution (CDFI) with a mission is to build a vibrant and inclusive entrepreneurial community in Western North Carolina by helping small businesses start, grow, and thrive. Since 1989, through our lending and peer learning programs, MBW has made over \$21m in loans to 1,200 entrepreneurs that support over 4,800 jobs.</li> </ul>
<b>Key Steps</b>	<ul style="list-style-type: none"> <li>This project will work through 2 primary activities. The first is to significantly expand lending capacity to help meet the growing need within the target communities. The second is then to deliver a high quality program of business coaching, classes and small business lending services to help develop capital-ready entrepreneurs.</li> </ul>
<b>People Served</b>	<ul style="list-style-type: none"> <li>This project will help build a more inclusive and innovative local economy in Buncombe County by expanding access to business ownership and the jobs created by those businesses to traditionally underrepresented individuals, specifically low-income (80% or less of area median income), women, and people of color.</li> <li>The goal is that at least 105 current or aspiring entrepreneurs will be served and 25% will be minorities, 55% will be women, and 65% will be low-income.</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>During the project year, Biz Works anticipates providing high-quality business coaching and loan readiness assistance to 105 low-income, minority, and/or women entrepreneurs.</li> <li>MBW will secure \$1.25m in new microloan capital, of which no less than 60% will be deployed in Buncombe County. From the new loan capital and prepared entrepreneurs, we will make 21 loans totaling \$750,000.</li> <li>Overall this will result in 8 new businesses started and 13 existing businesses expanded. 42 new jobs will be created and 63 existing jobs retained/sustained – creating pathways to economic opportunity for the target market communities.</li> </ul>

<b>Budget</b>			
<b>Amount Funded FY2018</b>	n/a	<b>Increase Request</b>	n/a
<b>Administrative Budget</b>	18% (from 2016 IRS Form 990)	<b>Total Organization Budget</b>	\$1,898,826 (projected FY2019)
Foundation Grants, Corporate Grants, Local Gov't Grants (City of Asheville), Federal Gov't Grants, Other, Earned Income			

<b>Strengths</b>
Innovative and/or creative program design
SMART Outcomes (specific, measurable, achievable, realistic and, time-bound)
Project serves underserved, underrepresented, minority, and/or high-need population

# Building an Inclusive and Innovative Local Economy through Access to Capital and Coaching

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*FY2019 Strategic Partnership Grants*

## ***Mountain BizWorks***

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# Application Form

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## Question Group

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### Project Name\*

Name of Project.

Building an Inclusive and Innovative Local Economy through Access to Capital and Coaching

### Amount Requested\*

\$100,000.00

## PROJECT NARRATIVE

### Area Served\*

Which areas of the County will be served by this project? Which Commissioner District(s) will be served?

A Buncombe County Commissioner district map is available at [THIS LINK](#).

Buncombe County has achieved impressive economic progress in recent years, yet there remain parts of our community that have not benefited equally. This is especially true for some of our minority and persistent low income communities, and also holds true for women entrepreneurs. The disparities are clearly unacceptable and constrain our economic potential. While the data can be distressing, through partnerships and increasing investment in inclusive local economies, Mountain BizWorks is seeing encouraging progress and even greater potential.

Mountain BizWorks (MBW) respectfully requests \$100,000 in Strategic Partnership Funds for a project that will build on existing progress to measurably advance job creation and economic mobility for low income and diverse communities within Buncombe County. The funds will i) enable MBW to access and deploy \$1.25m in new microloan capital, and ii) expand business and loan readiness services. All commissioner districts will be served.

### Organization Description\*

Tell us about your organization. What is your mission? Highlight two or three key facts and accomplishments that best define your organization.

Mountain BizWorks (MBW) is a U.S. Treasury certified non-profit community development financial institution (CDFI) with a mission is to build a vibrant and inclusive entrepreneurial community in Western North Carolina by helping small businesses start, grow, and thrive. Since 1989, through our lending and peer learning programs, MBW has made over \$21m in loans to 1,200 entrepreneurs that support over 4,800 jobs.

In 2014, MBW's board set strategic priority to expand its lending capacity to meet a fast growing need for loan capital from area small businesses and to especially increase investment in underserved markets of low

income, women, minority, and rural-based entrepreneurs. We're pleased to report that rural loans have more than doubled, loans to entrepreneurs from communities of color have grown five-fold, and women-owned companies accounted for 59% of loans last year. The board also strengthened its commitment to each of these goals in our new 2017-2020 strategic plan.

## Strategic Priority\*

Which of the following priorities best reflects the primary goal of your project?

Buncombe County Commissioners are dedicated to strengthening the quality of life for everyone by setting new fiscally, socially and environmentally responsible goals that will guide decisions and improve our community for future generations. The Board has committed to strategic priorities as a guide to shape partnerships and investments of resources to insure a healthy, safe, well-educated, thriving and sustainable community.

Details about the Strategic Priorities are available at [THIS LINK](#).

Diverse Community Workforce

## Strategic Priority - Other Sustainability Goal

If you selected "Other Sustainability Goal" from the list of Strategic Priorities, please list it here.

Details about the Sustainability Goals are available at [THIS LINK](#).

## Shared Vision\*

What critical community problem or challenge are you hoping to improve through this project?

The proposed project aims to help ensure that Buncombe County economic progress is an engine of economic mobility for all and works to address the stark economic disparities that currently exist within our community. For example, while 11% of the Asheville MSA population is Black and Hispanic, only 5% of businesses are Black- or Hispanic-owned, and only 3% of businesses with paid employees are (Census). Also concerning is that only 16% of commercial loans go to women-owned businesses (Fed Reserve).

Recent major studies by McKinsey & Co. and others have found that increasing rates of diversity (gender and racial) within a company is directly correlated with stronger profitability and higher rates of innovation. Similar work shows the same holds true for communities: greater inclusion begets greater growth and resiliency. Addressing the disparities in our community is essential for ensuring everyone has a fair shot and for building a more innovative, prosperous and resilient economy.

## Key Steps\*

How will the project work? What are specific activities and milestones that your project entails?

This project will work through 2 primary activities. The first is to significantly expand lending capacity to help meet the growing need within the target communities. The second is then to deliver a high quality program of business coaching, classes and small business lending services to help develop capital-ready entrepreneurs.

1) Expanding Lending Capacity: MBW is experiencing very strong growth in loan demand in Buncombe County and across our service area. Loans made have grown from \$1.9m in 2015 to \$5.5m in 2017. MBW will

use \$75k of SPF funds matched with \$50k in applicant funds to meet the local contribution requirements to access \$1.25m in new microloan capital from US Small Business Administration.

2) Coaching & Capital Readiness: MBW will deliver high quality training and technical assistance to low income and/or diverse entrepreneurs to help them become loan ready, expand/start a small business, improve their family income, and create quality jobs within their communities.

## People Served\*

Who are the members of our community this project will serve? How many people will be served? Include demographics, including age, area median income, race, neighborhood and/or school.

This project will help build a more inclusive and innovative local economy in Buncombe County by expanding access to business ownership and the jobs created by those businesses to traditionally underrepresented individuals, specifically low-income (80% or less of area median income), women, and people of color. We expect that at least 105 current or aspiring entrepreneurs will be served and 25% will be minorities, 55% will be women, and 65% will be low-income.

The individuals served will come from a wide range of adult ages. MBW works with many younger entrepreneurs to individuals over 50 that are seeking small business ownership to supplement their retirement income.

MBW currently serves and will continue to serve under this project entrepreneurs from all parts of Buncombe County from Candler to Black Mountain to Asheville neighborhoods to unincorporated rural communities.

## Partners\*

Which other organizations are you working with to reach your goals? What other local organizations provide similar services or serve similar beneficiaries, and how do you work together?

Building a robust, inclusive local economy requires strong partnerships and building community capacity. To this end, MBW works closely with many key partners, partnerships that will be furthered through this request. A few examples of current partnerships follows.

- MBW is a founding member of the WNC New Economy Coalition that aim to partner on actionable, evidence-based approaches to advance inclusive economic development. With partners including Self-Help, Green Opportunities (GO), Eagle Market Street Dev Corp and others, the NEC has recently published a study of local economy gaps with potential for business development/wealth creation within diverse communities.

- MBW and GO have partnered to offer our Foundations course within GO's core curriculum tracks.

- MBW is working with Self-Help, Carolina Small Business Development Fund, City of Asheville, and Buncombe County on a new loan guarantee fund (Buncombe Community Capital).

## Personnel\*

Who is responsible for the project? Briefly describe project leaders and the role each will play in the project. How do these leaders reflect the population or community that you serve?

The key project personnel listed below have deep experience serving the target markets across urban and rural Buncombe County and are respected practitioners in their activity areas:

Kimberly Hunter (Entrepreneurship Program Manager) will lead the technical assistance, outreach, and partnerships elements of the project. Kimberly is a business coach, former business owner and college instructor, and a leader on several community economic inclusion initiatives.

Matt Raker (Director of Community Investments & Impact) will provide program oversight, lead the loan capital activity, and will assist with community partnerships and program evaluation.

Kelly Foster (Small Business Lender) bring over 15 years of small business lending experience and will lead the micro- and small business- lending activities.

MBW Business Coaches include over 40 successful local business owners, are representative of the diverse target markets, and will assist with delivering business coaching.

## Success\*

How will you measure results? What will success look like? How will you document the impact of your project? Include whether there is a model that serves as basis for project design.

The proposed program will deliver both immediate results during the 1 year project period as well as considerable ongoing project impacts. During the project year, we anticipate providing high-quality business coaching and loan readiness assistance to 105 low-income, minority, and/or women entrepreneurs.

MBW will secure \$1.25m in new microloan capital, of which no less than 60% will be deployed in Buncombe County. From the new loan capital and prepared entrepreneurs, we will make 21 loans totaling \$750,000.

Overall this will result in 8 new businesses started and 13 existing businesses expanded. 42 new jobs will be created and 63 existing jobs retained/sustained – creating pathways to economic opportunity for the target market communities.

Of clients served, we expect 25% will from communities of color, 55% will be women, and 65% will be low-income.

Please see the Sustainability question below for a description of ongoing impacts.

## Funding\*

What is your plan for finding the balance of the project budget? What is your funding timeline and what are your other sources of support?

Mountain BizWorks respectfully requests \$100,000 in Strategic Partnership Funds for this project. These funds will be matched by \$50,000 in MBW funds, and \$25,000 in foundation support (Asheville Merchants Fund and ZSR Foundation) that are secured and in-hand.

SPF support plus the matching funds will enable MBW to receive an award of \$1,250,000 in new microloan capital from SBA. These funds have been approved but require MBW to provide the local match of \$125,000 (\$75k from SPF and the rest from MBW match) to be able to receive the funds. The SBA award has a 30 year term so the loan funds will have considerable impact beyond the one-year project period. Based on current demand, we expect the initial deployment of the new loan capital (i.e., funding of new local businesses) to be close to complete within the project year.

## Sustainability\*

How will this project be maintained? Please describe funding sources and how you plan to sustain the project in future years.

The project incorporates sustainability strategies in several ways. First, the proposed project's impacts will have a high degree of sustainability. The overarching goal of our program is to help underserved entrepreneurs build sustainable small businesses that create living-wage jobs - jobs that provide regular and reliable income, sustain families, and support asset-building. Over 90% of MBW's loan clients are still in business after 2 years, maintaining and growing their job creation impacts. Many go on to hire and sustain dozens of employees and become significant economic drivers in their community.

Second, the new \$1.25m in microloan capital funds to be received through this project has a 30 year term. This means the impacts realized in year one will be multiplied several times throughout the life of the fund. Very conservatively, we expect the cumulative impacts will reach 105 new loans made totaling \$3.75m, 100 businesses started/expanded, and 525 jobs created/retained.

## ATTACHMENTS

### Project Budget\*

Download the budget form at [THIS LINK](#).

Complete the budget form for this project and the overall organization.

Save it to your computer, then upload it.

strategic-partnership-grants-FY2019-budget-template.xlsx

### Financial Statements\*

Upload a copy of the most recently completed financial statements.

All financial statements must be audited, reviewed or compiled by a certified public accountant and include a full balance sheet, income statement, and cash flow statement.

If your organization does not have financial statements, briefly state the reason.

Mtn Biz Audit - 2016web.pdf

### IRS Form 990\*

Upload a copy of the 990 nonprofit tax reporting form that you most recently completed.

If your organization does not have a 990, briefly state the reason.

2016 MOUNTAIN BIZCAPITAL, INC 990.pdf

## Board of Directors List\*

Upload a current list of your organization's Board of Directors.

If your organization does not have a board of directors, briefly state the reason.

Board Members Roster (July 2017).pdf

## Authorized Signatory

By typing in below the name of the authorized signatory and date of submittal, you acknowledge that your governing body has authorized this application, that it is true and current to your knowledge. As a condition of any grant awarded, this organization will provide all information in the manner described in the contract to be executed between the organization and Buncombe County or its designee, including program and financial reporting.

Name & Date

Patrick Fitzsimmons, Executive Director 2/9/2018