



PROSPER
PORTLAND
Building an Equitable Economy

DATE: September 12, 2018
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 18-39
Update on Inclusive Business Resource Network (IBRN), Adopting IBRN Program Guidelines, and Authorizing Amendments to Contracts with Three Partners to Implement Portions of IBRN

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution Nos 7286, 7287, 7288 and 7289

At the September 12, 2018 Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the Inclusive Business Resource Network (IBRN), formerly known as the Small Business Technical Assistance Partnership (SBTAP). IBRN is an innovative program that supports partner service providers with critical resources to assist minority and women business owners and entrepreneurs across the city of Portland. Staff will also seek Prosper Portland Board approvals that will:

1. Adopt IBRN Program Guidelines;
2. Approve amendments to subrecipient contracts with three existing IBRN providers (Hispanic Metropolitan Chamber of Commerce, Micro Enterprise Services of Oregon, and Portland State University), as these organizations' total contracts exceed the Executive Director's signature authority; and
3. Authorize the Executive Director to approve amendments to IBRN contracts for the fiscal year (FY) 2018/19 should additional funding become available.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Implementation and funding of IBRN supports Prosper Portland's goals of widely shared prosperity and collaboration with our partners to build an equitable economy. Specifically, IBRN supports the advancement of entrepreneurs from underrepresented populations and encourages thriving businesses that provide wealth creation opportunities for Portlanders of color and other underrepresented entrepreneurs.

Furthermore, IBRN exemplifies Prosper Portland's collaboration with partners to build an equitable economy. Delivering comprehensive business assistance requires an extensive network of partners with a range of cultural competencies, skills, and specializations to fully address the needs of underrepresented entrepreneurs.

IBRN service providers focus on supporting businesses from startup through growth and ensure technical assistance leads to wealth creation. IBRN outcomes are tracked by partners through an online system and are reported out annually through a badge system for business owners receiving support

network-wide. With its partners, Prosper Portland is committed to achieving the following outcomes from FY 2017/18 through FY 2021/22.

- 1,000 Businesses strong and stabilized
- 250 Businesses achieving growth milestones
- 25 Businesses scaling to double or triple their size
- 100 Traded sector startups assisted to launch into the market

As of September 5, 2018, Prosper Portland and service providers reported the following outcomes for the program's inaugural year (FY 2017/18):

- 97 Businesses became strong and stable
- 4 Businesses achieved growth milestones
- 1 Business scaled their operations
- 12 Traded sector startups launched into the market

This is a point in time measurement that will continue to increase as partners report on client milestones.

BACKGROUND AND CONTEXT

Through focused resources, collaboration and client-centered services, IBRN seeks to drastically shift outcomes for business owners of color, immigrants, women founders, and other underrepresented minorities. For the decade prior to the creation of IBRN, 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).

In July 2017, staff combined these various programs to create IBRN, a portfolio approach to delivering services. Capitalizing on Prosper Portland's strength as a convener, IBRN allows for a more holistic and effective service delivery system for underrepresented entrepreneurs in Portland. In this new approach, Prosper Portland no longer operates programs in-house but rather partners with and funds organizations to operate a range of programs designed to support diverse entrepreneurs across industries, growth paths, and business stages.

While the agency's Microenterprise and Small Business Development Program operated under Prosper Portland Board-approved guidelines from 2012 to 2017, the newly-formed IBRN encompasses a wider range of programs and thus requires a new set of program guidelines. The proposed Program Guidelines are included in Exhibit A of Resolution 7286 and will replace the Program Guidelines of the former Microenterprise and Small Business Development Program.

The IBRN program includes three types of grant agreements. Technical Assistance grants are approximately ninety percent of the IBRN delivery budget and cover a range of programs from one-on-one technical assistance, to incubators, to business growth programs. Professional Service and A la Carte grants cover a range of services that provide specialized support for IBRN businesses such as accounting setup, tax support, legal advice, digital marketing, market research, and scholarships to classes and workshops. The Professional Service and A la Carte grants offer a pool of services that provide the wrap-around service support unique to IBRN.

The IBRN approach has more efficiently leveraged funds to serve nearly triple the number of clients in comparison to the number served in the Microenterprise and Small Business Development Program. IBRN serves approximately 750 businesses annually, of which 400 receive long-term support (at least 30 hours per year); of those 400 businesses, at least 75 percent are people of color and at least 65 percent are women.

EQUITY IMPACT

IBRN 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 stable businesses supported over a five-year period, staff anticipates 75 percent will be owned by people of color. Those 1,000 business owners will receive technical assistance and resources to increase their business resiliency and create wealth for themselves and their families.

In addition, IBRN providers, referred to as the Community of Practice (CoP), have been working together to develop a shared equity lens. In FY 2017/18, the CoP participated in two and a half days of equity trainings; in FY 2018/19 they will do the same. The equity trainings emphasize racial equity and provide tools for business advisors to be better prepared to coach their business clients in a culturally competent way.

Prosper Portland staff convene the CoP monthly to build trust and share best practices. Most of the business advisors in IBRN are people of color and collectively speak multiple languages. Advisors can often speak the client's first language and add the value of shared experience with business owners of color.

COMMUNITY PARTICIPATION AND FEEDBACK

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. Four diverse selection committees reviewed the proposals and forwarded their recommendations for selection to Prosper Portland. The full RFP process involved significant outreach and input from existing providers and other entities interested in IBRN.

Ongoing and regular feedback from partners and clients is important to the success of IBRN and is collected in the following ways:

- IBRN partners complete feedback forms after each monthly CoP meeting.
- Prosper Portland staff conduct an annual survey of IBRN clients.
- The IBRN CoP has formed committees on various topics to advise Prosper Portland staff on the overall program.
- Prosper Portland contract managers meet regularly with each IBRN partner to get updates on the partner's services and suggestions for improvement.

BUDGET AND FINANCIAL INFORMATION

The RFP mentioned above specified that contracts could be renewed for up to five years, based on performance and annual budget availability. For FY 2018/19 staff is amending contracts to increase funding for services. At this time, the combined FY 2017/18 and FY 2018/19 budgets for three providers will exceed \$500,000, triggering this request for Prosper Portland Board approval. Two of these providers are also delivering on multiple scopes which increases their overall contract amount.

1. Hispanic Metropolitan Chamber of Commerce (HMC) will provide long-term one-on-one individualized technical assistance to approximately 30 microenterprise businesses.
2. Micro Enterprise Services of Oregon (MESO) will provide long-term one-on-one individualized technical assistance to approximately 100 microenterprise businesses, business navigation to approximately 100 African American and other entrepreneurs in North and Northeast Portland, business navigation to approximately 50 entrepreneurs in three Neighborhood Prosperity Network (NPN) districts (Cully Boulevard, St Johns Center for Opportunity, and Historic Parkrose), and market research to approximately 45 businesses through the MarketLink program.
3. Portland State University, through its Business Outreach Program (PSU BOP) will provide long-term one-on-one individualized technical assistance to approximately 100 microenterprise businesses and business navigation to approximately 50 entrepreneurs in two NPN districts (The Rosewood Initiative and Division-Midway Alliance), will run two cohorts of Increase Project serving approximately 20 growth-oriented businesses, and will provide light-touch support for businesses impacted by the Division Transit Project.

The FY 2018/19 budget for IBRN with all funding sources is shown in Table 1 below.

Table 1 – IBRN Budget

Revenue	
General Fund	\$2,002,660
Community Development Block Grant	\$553,792
Enterprise Zone	\$564,000
Bureau of Planning and Sustainability Intergovernmental Agreement	\$145,720
Total Revenue	\$3,266,172

Program Expenditures	
Personnel	\$345,197
Indirect	\$129,610
Grants to Organizations (Program Delivery)	2,656,500
Materials & Services	\$134,865
Total Revenue	\$3,266,172

Funding from the City Bureau of Planning and Sustainability comes from a Metro grant to implement the Powell-Division Action Plan and within IBRN will fund business support services along the Division Street corridor.

Future funding of IBRN will be dependent on annual allocations of CDBG funds and General Funds.

RISK ASSESSMENT

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

- 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, MESO, and HMC contracts will require subrecipients to adhere to federal regulations regarding the use of CDBG funds.

ATTACHMENTS

- A. List of FY 2018/19 IBRN Service Providers and Programs

List of FY 2018-19 IBRN Service Providers

- **Asian Pacific American Network of Oregon (APANO):** Building on their existing youth, leadership and adult education programming for the Asian Pacific Islander (API) community as well as their role as manager of the Jade District, APANO focuses on providing multicultural outreach and partner referral for API business owners in Portland. In a unique partnership with the PSU Business Outreach Program, APANO provides culturally relevant assistance for business owners impacted by the Division Transit Project.
- **Hacienda CDC:** Building on their success assisting food entrepreneurs via the Micro Mercantes program and the Portland Mercado, Hacienda will deliver a small business boot camp and individual business technical assistance to help take Latino food entrepreneurs to the next level.
- **Hispanic Metropolitan Chamber of Commerce (HMC):** Since 2002, HMC has provided continuous, long-term, onsite 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.
- **Immigrant and Refugee Community Organization (IRCO):** 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.
- **Mercy Corps Northwest (MCNW):** Business classes and one-on-one advising, with a focus on the Arabic and Russian speaking communities.
- **Micro Enterprise Services of Oregon (MESO):** MESO's mission is to improve economic opportunities of under-served individuals through empowerment, education, and entrepreneurship for the benefit of families in the greater Portland community. Located at 4008 NE MLK Blvd, MESO is an important anchor for the N/NE business community and provides business navigation services for entrepreneurs of color in NE Portland. MESO provides financing, matched savings, market research and tailored one-on-one business advising within the IBRN network.
- **Native American Youth and Family Center (NAYA):** NAYA teaches an entrepreneurship class for native entrepreneurs and provides one-on-one technical assistance. NAYA is collaborating with ONAC to utilize their newly developed entrepreneurship curriculum created as part of the Oregon Native Enterprise (ONE) Coalition.
- **Neighborhood House:** Neighborhood House provides industry-specific support to in-home childcare providers through their Child Care Improvement Project.
- **NuLeaf:** NuLeaf provides support through the Cannabis Business Development Equity Program, a new initiative to address technical assistance needs for cannabis entrepreneurs from communities that have historically been disproportionately, negatively impacted by the prohibition of cannabis.
- **Oregon Native American Chamber (ONAC):** ONAC provides business navigation services for native entrepreneurs in Portland and leverages its statewide network of mentors and

entrepreneurship curriculum developed through the ONE Coalition to assist entrepreneurs in Portland.

- **Portland Incubator Experiment (PIE):** Building on collective learnings 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, the PIE manages an incubator for diverse founders in the Central Eastside Innovation Quadrant.
- **Portland State University Business Outreach Program (PSU BOP):** The PSU BOP provides technical assistance and business consulting services to small business owners and entrepreneurs through professional one-on-one consulting. PSU also partners with APANO to offer technical assistance to businesses impacted by the Division Transit Project and facilitates a peer learning program for growing small businesses owned by people of color, known as the Increase Project.
- **TiE Oregon:** Through startup boot camps for underrepresented entrepreneurs, TiE Oregon provides education, connection to mentors and resources for concept stage founders of tech and consumer products.
- **XXcelerate Fund:** XXcelerate is an innovative peer learning growth program for woman founders of technology, consumer product and other scalable businesses.
- **Professional Services:** Free or low-cost professional services (e.g. legal, web, accounting, etc.) and classes that enhance IBRN programs such as the Lewis and Clark Small Business Legal Clinic, the MarketLink program at MESO and Metropolitan Family Service credit counseling. These partners have been chosen based on feedback from our IBRN partners.