



Virginia Enterprise Initiative Program Design Workshop

Learn about the new Program Design
and how to participate.



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

Welcome

Virginia Enterprise Initiative 2008 Program Design Workshop

October 21, 2008
DHCD - Richmond



Mission

The Virginia Enterprise Initiative provides an opportunity for underserved entrepreneurs to start and expand businesses through increased access to micro-business training and credit

Context for Change

- Used the Same Program Design since 1990's
- Maturing of the Field Overall
 - AEO Micro-enterprise Standards & Accreditation Project
 - FIELD Funders Series

Context for Change

- Innovation
 - What Makes Micro Work Today
- Performance
 - Measuring up to Our Peers & as a Community Economic Development Strategy
- Coverage, Coverage, Coverage
 - Reaching the Need & Opportunity

What Will Not Change

- Funding & TA to Organizations
- Micro:
 - 5 & Fewer Employees
 - Capital Needs of \$35,000 or Less
- “Underserved” Entrepreneurs
 - Low Income, Women & Minorities

VEI Goals

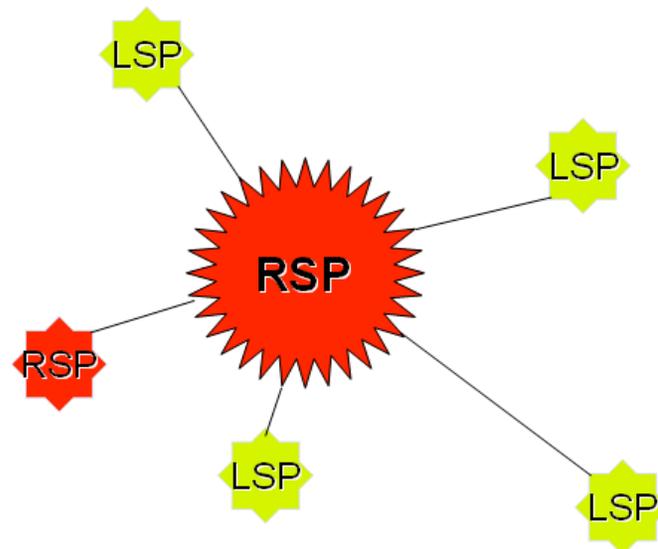
- Assist Underserved Entrepreneurs
- Four Components
 - Pre-Business Training
 - One-on-One Technical Assistance
 - Access to Credit
 - Post-Loan Assistance

VEI Goals

- Outcome Oriented
 - Loans Made
 - Jobs Created
 - Business Plans Completed

Hub & Spoke

- Regional Service Providers (RSP)*
- Local Service Providers (LSP)*



Regional Service Providers

- Up to Three RSPs
- Larger Service Area
 - Primary Market Area (PMA)
 - Minimum 10 Jurisdictions
- Build Partnerships
- Provide Access to ALL Four Components



VEI Relationship with RSPs



- VEI Funds RSPs Directly
- VEI Assists RSPs in Creating Partnerships
- RSPs Report Directly to VEI
- RSPs Work With Their Partners

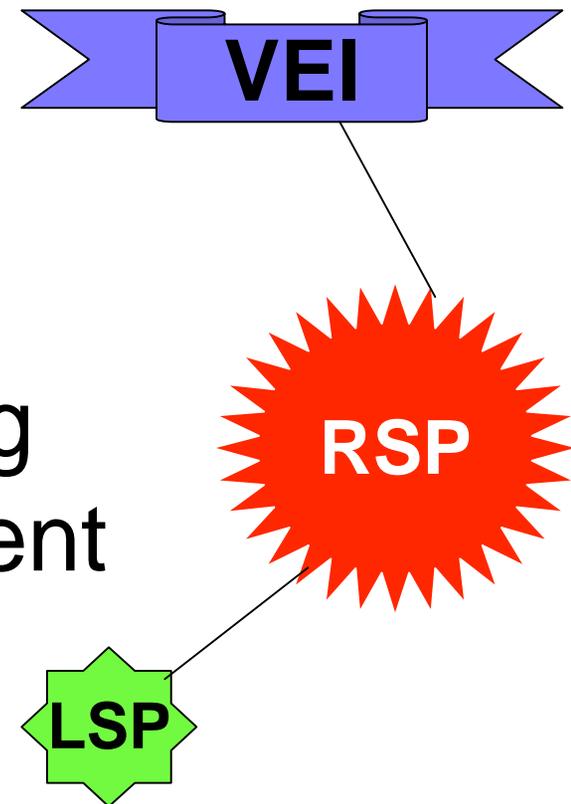
Local Service Providers

- Any Number
- Smaller Service Area
- May Specialize in Certain Services



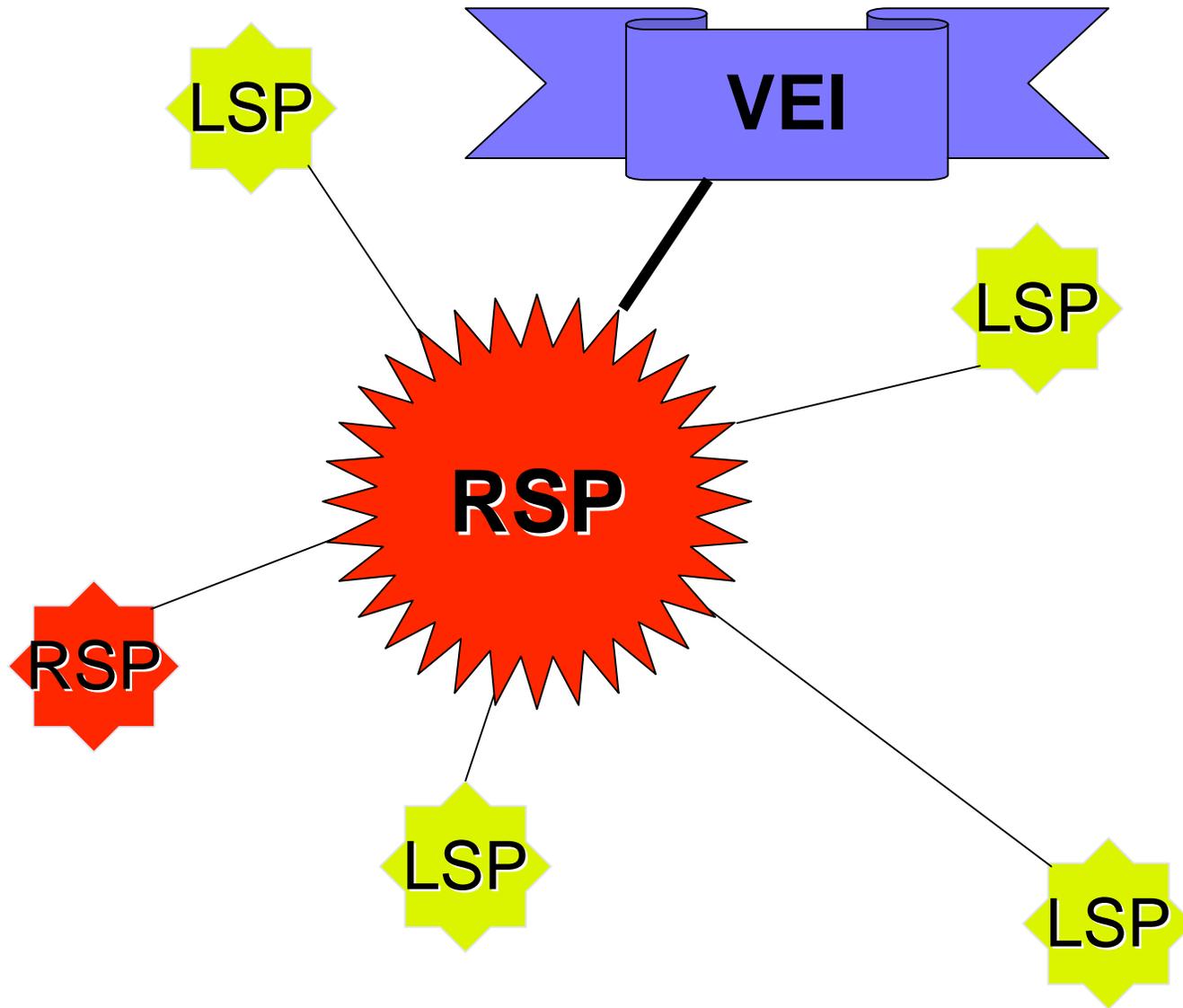
VEI Relationship with LSPs

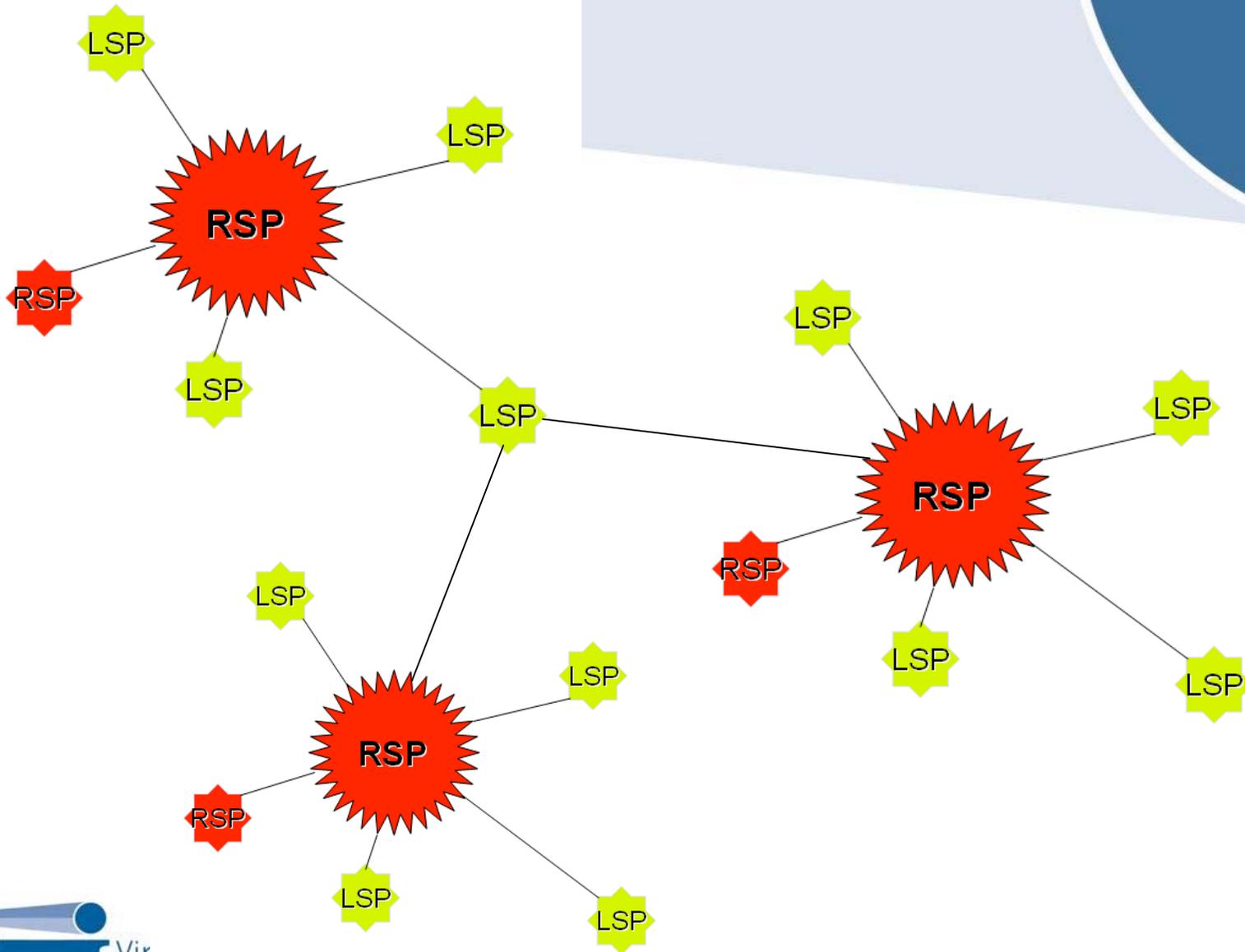
- Limited Direct Funding for LSPs
- VEI Assists LSPs in Creating Partnerships
- VEI Offers LSPs Training and Capacity Improvement



RSP Relationship With LSP

- RSP & LSP Negotiate Terms of Partnership
- LSP is Responsible to Partner RSP
- RSP Reports Outcomes of Partners to VEI
- RSP Offers LSP Training and Capacity Improvement





VEI Grants

- Transition Grants
- RSP Grants
- Innovation Grants
- Planning Grants

Transition Grants

- Help to Smooth Transition
- Two Types:
 - Planning Grants
 - Bridge Grants

Transition Grants

- Planning Grants
 - Potential RSPs
 - Reimbursable
 - Up to \$14,500
 - Three Drawdowns
 - Nov, 2008 – Apr, 2009

Application Deadlines

- Transition Planning Grant
 - Begins November 17, 2008
 - Letter of Intent

RSP Grants

- Up to Three RSPs Only
- Four Types
 - Capacity Grant
 - Administrative Grant
 - Service Area Grant
 - Deliverable Incentive
- One Application for all Grants

RSP Grants

- Capacity Grant
 - \$20,000
 - Assist with Expansion
 - Payable upon Acceptance
 - Use as Negotiated in Application

RSP Grants

- Administrative Grant
 - Up to \$20,000
 - July 1, 2009 – June 31, 2010
 - Reimbursable Quarterly
 - \$1-to-\$1 Cash Match

RSP Grants

- Service Area Grant
 - Secondary Market Areas (SMA)
 - \$3,000 for First SMA Assisted
 - \$5,000 for Second SMA
 - \$5,000 for Third SMA
 - No More than \$13,000 Total

RSP Grants

- Deliverable Incentives
 - Pay for Performance
 - Payable Quarterly
 - \$88,000 per RSP

**Deliverable
Incentives**

**Full Time
Equivalent**

Loans Made

**Qualified
Business
Plans**

\$400

\$650

\$150

Application Deadlines

- RSP Grants
 - January 13, 2009
 - Full Application

Innovation Grants

- For RSPs, LSPs and New Partners
- Up to \$5,250
- Unique Service Delivery
- Unique Products
- Competitive
- Rolling Application

Planning Grants

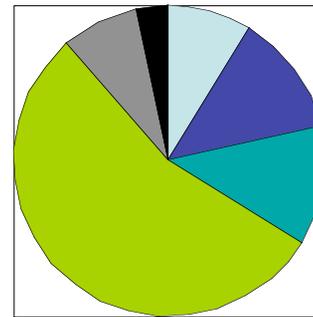
- For RSPs, LSPs and New Partners
- Up to \$20,000
- Improve Statewide Coverage
- Competitive
- Rolling Application

Application Periods

- Innovation Grants
 - June, 2009
 - Full Application
- Planning Grants
 - June, 2009
 - Letter of Interest

VEI Maximum Possible Outlay per RSP

- Planning Grant = \$14,500
- Capacity Grant = \$20,000
- Admin Grant = \$20,000
- Deliverable Incentives = \$88,000
- Innovation Grant = \$5,250
- Area of Service Bonus = \$13,000
- **TOTAL = \$160,750**



- Planning Grant Phase 1
- Capacity Grant
- Admin Grant
- Deliverable Incentives
- Area of Service Bonus
- Innovation Grant

Criteria for RSP Participation

- Community Based Approach
- Micro-Enterprise Experience
- Capacity for Large Area of Coverage
- Partnerships
- Staffing
- Leverage

Service Area

- **Primary Market Area (PMA)**
 - Negotiated with VEI
 - Include Minimum of 10 Jurisdictions
 - Regional in Scope
 - Required Area of Service

Service Area

- Secondary Market Area (SMA)
 - Negotiated with VEI
 - Partners
 - Expanded Service Area
 - Significant Outreach

Input

- ***What aspects do you like or feel most comfortable with?***
- ***What aspects give you concern?***
- ***What aspects will be the easiest to implement?***
- ***What are the biggest hurdles to implementation?***

