

Microbusiness Development Program



Five Year Report: 2010–2015

Advocacy & Empowerment Division
Department of Community Services
Louisville Metro Government

October 2015



Louisville Metro's Microbusiness Development Program is funded by the Community Development Block Grant from the U.S. Department of Housing and Urban Development.



Mayor Greg Fischer

When I took office as Mayor in 2011, I established three goals for Louisville in order to reach full potential as a great 21st century city. We must create well-paying jobs, improve education at all levels and be an even more compassionate city than we already were. I continue to stand by these goals today as I recognize that these are imperative to improve the individual lives of Louisville residents and to build an even more vital, dynamic and innovative economy. Job creation is at the core of economic vitality and is the engine for revenue required to improve the quality of place. The creation of jobs not only provides an extra boost for the economy, but it allows Louisville workers more security, opportunity, and an overall higher standard of living.

Small businesses are the backbone of our local economy and represent approximately two-thirds of the local workforce. It is programs like Louisville Metro's Department of Community Services' Microbusiness Development Program that help to ensure these small businesses thrive and expand to create jobs and bring needed services and products to neighborhoods throughout the city. Programs like this, which offer affordable access to capital, are absolutely vital as many microbusinesses have little or no access to the commercial banking sector. Programs like these provide valuable opportunities for training and business financing outside of mainstream institutions and can help people at all income levels increase their capacity for future mainstream banking.

Today we celebrate five years of an extraordinary service that the Community Services' Microbusiness Program brings to our community. We recognize the hard work of staff, leadership, partners, and the clients and customers. Thank you all for your investment in our Louisville community and for your contributions to our local economy. Keep up the great work.

A handwritten signature in black ink that reads "Greg Fischer".

Katina Whitlock, Director of Community Services

Five years ago, I am not sure anyone would have anticipated the extraordinary impact and success that the Department of Community Services' Microbusiness Development Program would have on our Louisville community. We've come a long way in five years and look forward to even greater investments in our small business community. We venture forward with confidence and enthusiasm because we know that what we are doing is working.

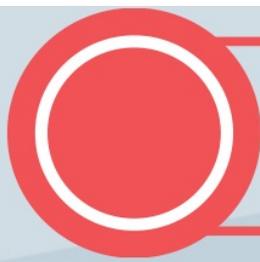


We see the impact – business expansions, increased business and household revenues, additional employees hired, and more. We experience the success. We hear appreciation and gratitude from our clients and customers. We know that every one dollar in program costs generates five dollars in benefits for our microbusiness owners. These results prove that our investment in this program, and other like programs, truly make significant and life changing impacts in the lives of those we serve.

As we celebrate five years of participation in our great city's entrepreneurial spirit, it is most appropriate to recognize all of the idea makers and innovators who entrusted their visions and dreams to our team. To the business owners who allowed us to help them make their dreams come true, we thank you for the opportunity. To our staff and volunteers who work diligently to provide resources, direction, and coaching, this celebration and the budding businesses across our community are a testimony to your commitment and skill. Our Microbusiness program is an example of how public and private partnerships can work succinctly and successfully. Thank you to all of our partners who have joined us in investing in small businesses across our community.

We are excited to play a part in making dreams come true for all people across our community.

A handwritten signature in black ink that reads "Katina Whitlock".



About Us

Through training, technical assistance, information, referral, and small business loans, the Louisville Metro Community Services Microbusiness Development Program is helping low-moderate income business owners with starting and growing small businesses, of five employees or fewer, since 2010. In 2015, we celebrate 5 years of success, expansion, and evolution of a program that turns dreams into reality for hundreds of small business owners across Metro Louisville.

During development of the 2010-2014 Louisville/Jefferson County Metro Government Consolidated Plan (a 5-year strategic plan submitted to the U.S. Department of Housing and Urban Development), the community needs assessment process indicated economic development as the second highest priority in the our community. In result, funding for economic development doubled compared to previous plans. Louisville Metro prioritized funding for: job creation, job training and placement, loans to establish or expand businesses, outreach and technical assistance to develop microbusinesses, and microbusiness loans. The 2010-2014 Consolidated Plan proposed a 5-year annual investment of \$100,000 in Community Development Block Grant (CDBG) funds for microbusiness development activities.



1

In program year 1, the Department of Community Services (then the Department of Housing and Family Services) developed "CAP Enterprise" – a team of five individuals tasked to craft a microbusiness development program that would foster an atmosphere where low to moderate income entrepreneurs of Louisville could pursue their business goals through increased access to training, capital, and community resources. The result? A two-track initiative for either budding businesses (new or less than one-year) called the Spark Program, or for existing businesses (open for one-year or more) called the Ignite Program. Both tracks presented opportunity to apply for a forgivable loan up to \$10,000. The Spark Program required candidates to complete a 10-week training course to meet loan application criteria. All funding, \$100,000, was expended in the first program year.

2

Program year 2 continued the efforts of CAP Enterprise with an additional \$100,000, and again expended all available funding.



3

By program year 3, Louisville Metro recognized the success and impact this program made in the community and increased funding for the program. Louisville Metro increased funding for loans to a total of \$250,000 and introduced \$50,000 to provide external training opportunities for business owners.

4

Program year 4 brought about significant changes for the program with the evolution of a revolving loan program and a targeted focus on the Shawnee neighborhood. In efforts to build long-term program sustainability through the generation of program income, Community Services modified the forgivable loan program to a revolving model. Community Services was dedicated to providing affordable and accessible capital and a credit-building opportunity through the loan program and established fair terms for borrowers. New and existing businesses could now borrow up to \$15,000 at either 0% interest (new businesses) or 4% interest (existing businesses) for up to 72 months. Also impacting the program in year 4 was the designation of the Shawnee neighborhood as a Neighborhood Revitalization Strategy Area (NRSA). This designation infused CDBG funds into a targeted area through a coordinated approach. For the microbusiness development program, this meant additional funding (an additional \$100,000 on top of the \$250,000 annual allocation) specifically allocated for forgivable loans to businesses and businesses owners located in the Shawnee neighborhood.



5

Program year five continued operation of the revolving loan program with a \$250,000 annual budget. Loans awarded in this year wrapped up the first five years of the program and in total, the program significantly surpassed the anticipated outcomes as originally defined in the Consolidated Plan; expectations were set at 50 loans and 100 business owners served through technical assistance over five years and, in actuality, Community Services awarded a total of 150 loans and served 886 individuals through training and technical assistance.

Looking Ahead

The new HUD consolidated plan for 2015–2019 continues to support the Microbusiness Development Program through program operation costs and salary costs for program support – a total CDBG investment of \$2,150,000 over the next five years. We will continue to evolve our program to ensure we are meeting the needs of our clients. We are excited about our new partnership with Credit Builder's Alliance (CBA) which will help us report loan repayments to the consumer credit bureaus – and help our customers build positive credit. We look forward to continued program growth and success over the next five years, and are honored to serve business owners in the Louisville Metro community.





Results

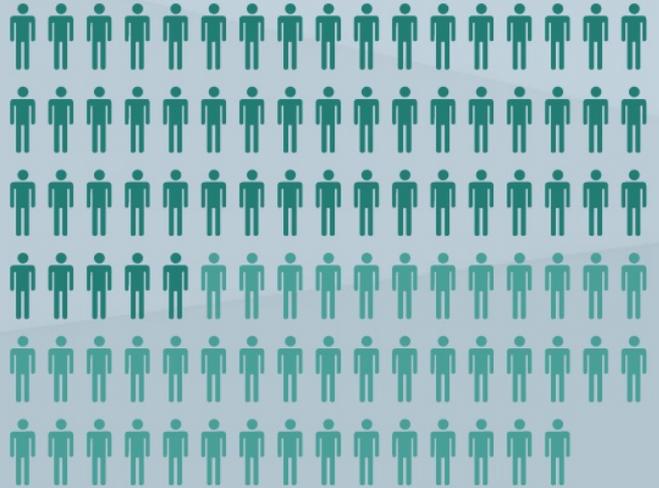


*Data gathered from 2013 & 2014 client surveys



235

Jobs Created or Retained



■ Created - 130 (55%) ■ Retained - 105 (45%)

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in loans awarded



■ 94 Forgivable Loans - \$540,500 (63%)
 ■ 56 Revolving Loans - \$481,100 (37%)



By the Numbers



886

Persons served through training or technical assistance

\$6,439

Average loan size



\$37,548.58

Program income to date*



150

Loans awarded to low-to-moderate income entrepreneurs

75%

of businesses have increased revenues after our assistance



44%



of business compensate employees at \$10.00/hour or more

\$131,462.75

Invested in training business owners



0%

Interest rate for start-up business loans

45% of businesses have hired new staff



*Program income refers to principal and interest loan payments recieved on revolving loans and is invested back into the program as additional funding

Demographics

Client Annual Income according to Area Median Income (AMI)



■ 0-30% AMI (53%)
 ■ 30.1-50% AMI (24%)
 ■ 50.1-80% AMI (23%)

Racial Composition



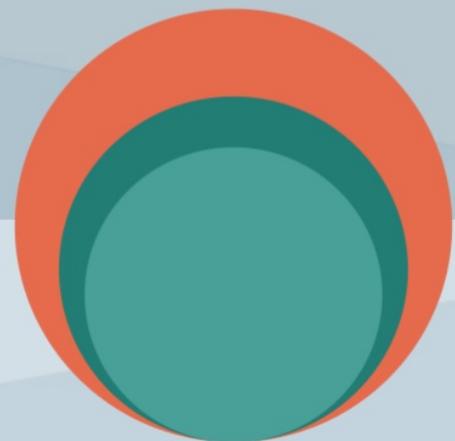
■ Black/African American (77%)
 ■ White (17%)
 ■ American Indian/Alaska Native (0%)
 ■ Asian/White (0%)
 ■ Black/African American/White (0%)
 ■ American Indian/Alaska .. (0%)
 ■ Other Multiracial (5%)

Business Loans by Industry



■ Food Service (16%)
 ■ Beauty/Barber Shops & Supplies (13%)
 ■ Technology (8%)
 ■ Childcare (7%)
 ■ Clothing/Retail (7%)
 ■ Consultation Services (7%)
 ■ Health & Fitness (7%)
 ■ Residential/Commercial .. (6%)
 ■ Bookkeeping/Tax Services (6%)
 ■ Lawn Care (5%)
 ■ Homemade Products (5%)
 ■ Repair & Renovation Services (5%)
 ■ Automotive (4%)
 ■ News/Publications (3%)
 ■ Training Services (1%)

Minority and Female Owned Businesses



■ Minority Owned
 ■ Female Owned
 ■ Total Reporting



Successes



Tanisha Durrett
Tanisha's Mobile
Bookkeeping Service

Tanisha Durrett faced many challenges in her life before getting connected to the Community Services Microbusiness Program.

Being a single mom of three teenagers was not an easy task and she experienced difficulty finding a decent paying accounting job after graduating from Spalding University.

While unemployed, Tanisha and her family faced a year of homelessness. Despite the challenges, Tanisha kept her head held high and was excited to hear about the Foundational Leadership course for entrepreneurs through Community Services. The course helped with business coaching, client referrals, networking, and opened the doors for her to apply for a business loan.

Today, Tanisha is the proud owner and operator of Tanisha's Mobile Bookkeeping Service with the unique niche and tagline, "I Come to You!". Bookkeeping services include bank reconciliation, trial balance sheet preparation, financial statement preparation, general ledger maintenance, account payables and receivables, payroll processing, and more – all while going directly to the clients home or business!

Tanisha looks forward to the future and evolution of her business over the next few years with the incorporation of secure online portal QuickBooks services as well as extending mobile services into surrounding counties.

Jeremy Boyd, owner of Bluegrass Kitchen Exhaust Cleaning, LLC, started the business in 2009 as a single employee while simultaneously working full-time with a pest control company. Within 5 months, Bluegrass Kitchen Exhaust Cleaning experienced tremendous growth and built a 30 by 1,500 square foot storage and business office building to support the residential and commercial restaurant kitchen exhaust cleaning business.

The Microbusiness Development Program helped Jeremy with a forgivable loan to support his dream, and he was able to purchase an additional van and other equipment to keep the business growing.



Jeremy Boyd
Bluegrass Kitchen
Exhaust Cleaning

Today, the company is expected to grow by 70 percent from 2014. Jeremy stated "We look to round out half a million dollars this fiscal year." Bluegrass Kitchen Exhaust Cleaning has hired 8 additional employees and services their work throughout the entire state of Kentucky and Southern, Indiana. Jeremy feels very grateful to his supporters throughout the years – including the Microbusiness Development Program with Community Services, Sturgeon Pest Control and the Sturgeon family!



Desmond Conley
G.I.D. Remodeling

Desmond Conley is the proud owner of G.I.D. Remodeling, LLC. G.I.D. stands for "Getting It Done" and indeed, he does! G.I.D. Remodeling is a full service remodeling company for residential and commercial properties. Desmond started the company in 2012 and really gained some momentum when he connected with a SCORE counselor shortly thereafter.

2014 was a transformative year for G.I.D. Remodeling as Desmond received a \$6,100 revolving microbusiness loan to purchase additional equipment and marketing materials. The microbusiness team also continued to provide assistance to Desmond through additional business education, construction safety and OSHA trainings.

Desmond is extremely excited about all the opportunities that have come his way in 2015. He is reaching more into the commercial sector on projects such as the new Omni Hotel development in downtown Louisville and has also seen growth in Southern Indiana. In addition, he was recently appointed as director of residential construction for a national corporation, JWH Financial Services. Desmond is grateful for his success and is committed to building the expertise of subcontractors, particularly minority, women, disadvantaged and veteran business-owners.

Looking ahead, Desmond is setting a goal of a record-breaking year in revenue in 2016!

In 2014, the Community Services Microbusiness Development Program awarded Shacole Henderson, of Coco's Cakes LLC, a \$5,000 loan to start her specialty cake business. Coco's Cakes, "Where Taste and Style Come Together" provides clients with unique and creative specialty celebration cakes that are made to order. The cake shop also offers freshly baked cupcakes, cookies, and pastries.

Shacole attended and graduated from the 8-week Power Up Business Basics Class offered through Community Services Microbusiness Development Program before applying and being approved for a loan.



Shacole Henderson
Coco's Cakes

Shacole launched her retail business that fall, September 2014, and in early 2015 Shacole successfully repaid the start-up loan! Business was booming and Shacole became Community Services' first revolving loan recipient to satisfy her loan. Shacole shows such promising success and determination that she was awarded an additional \$15,000 loan to expand her services! Coco's Cakes now includes a deli shop with special event nights and food items, added seating for 16 customers, expanded service to serve coffee, and the shop now offers internet service.

Business Directory

Congratulations to the businesses funded by
Community Services over the past five years!

- 41st Street Family Care Center, Inc.
- Air Duct Cleaning
- All Around Cleaning
- All is Fair in Love and Fashion
- All Phases Hair Salon Inc.
- Always Images Family Photography
- America's Finest Concrete Removal Company
- Anderson Business Group, Inc.
- Artists by 3:13 Salon and Spa
- Awesome Everyday
- B and D Food Services
- Balance Therapeutic Massage
- Beautiful Hair Solutions
- Bee's Beauty Barber Supply
- Berry's Cleanup
- B-Fit
- Bluegrass Kitchen Exhaust Cleaning
- Cakes Unlimited
- Candle Bee Farm
- Captured Memories PhotoBooth
- CAREALOT II
- Chosen Enterprise Group
- Coco's Cakes
- Concepts for Kids Advance Learning Academy
- Cuttin' It Close Lawn & Landscaping
- Derby City Logistics
- Design RA
- Devasting Doos Beauty Salon
- DiVashe Hand and Foot Care
- DJ's Clean Sweep
- Dressed Behavior Consulting
- Dudley Products Louisville
- Edward's Lawn Care and Beautification
- Emma'Lees Salon & Spa
- Empire Tire 3
- Engineering Professional Services
- Equinox Allstars
- Extended Family Learning Center
- EZ Tubz
- Faith Lockett Jewelry Designs
- Famous Amour Clothing
- Floor Coverings International of Kentucky
- From Dawn to Dusk
- Fullanthropy
- Funmi's Café
- Gela Café
- Genesis Beauty Supply
- G.I.D. Remodeling & Services
- Go Green Lawn Solutions
- God's Favor Beauty Salon
- GoodNewsOne
- H2 Communications
- Happy Kids Christian Child Care
- Harmonious Roots Hair Salon
- Holloway Mortgage Group
- Hooten Home Services
- Intimate Perspectives
- J.J. Family Auto Sales
- Jo Jo's Cleaning Services
- Kristen's Neat Repeats
- Kymerli Shoe Designs
- La Caribena
- Lawn Medic
- Limelight
- LMH Accounting & Consulting
- Maa Sha Allah African/International Restaurant
- Marcel Coffee Shop
- Marketing Media Management
- Martin Farms
- Millenium Market Place
- Modern Day Fitness
- More & More Contracting Services
- Mor's International Grocery
- MOST Bosnian American Newspaper
- Mr. Terry Accessories
- My Crowd Rocks
- Myheart2yourhands
- N & M Studios Ltd. Co.
- Nee-Nee's Angels Daycare II
- NAVY Enterprise
- Omar Porter Professional Painting
- papHAIRazzi Salon
- Paradise Island Tea
- Paramount Safety
- PNR Bookkeeping & Business Services
- Pretty Little Diva
- Prima Natural
- Primary Cosmetics
- Prince Cox Barbque & More
- Principe Enano Family Home Child Care
- Psyche Comfort Products
- Pure Energy Entertainment
- Randy's Soulful BBQ
- Reberth Designs by Fhonia
- Reliant Exteriors
- Relic
- RetailTherapy
- RR Jones & Associates
- S. Lynn O'Neil Attorney at Law
- S.C.S Digital Technologies
- S.O.X. Lady
- Saffron Planning & Events
- Seductively Sweet Confections
- Senteur Exotics
- Shades of Ebony Makeup Lounge
- Shear Genius
- Signatures by Brenda
- Smiling Faces Child Development Center
- Soap Suds Laundry & Cleaners
- Star Shonny Enterprises
- Starling Enterprises
- Studio 550
- Sweet N Lowe
- Tanisha's Mobile Bookkeeping Service
- Tax Incorporated
- Tede's Tots LLC
- The Black Italian Griglia Cucina
- The Buzz Fitness
- The Edible Creations
- The Nailtique
- The PB& J Shop
- The Root Cellar
- The Voice
- Tidy Janitorial Services
- Trimen Solutions
- Tristaca Loves Cooking
- Trust Tech Information Services
- Under Construction Fitness
- Vermillion Tax/Payroll and Accounting Services
- We Care Cleaning
- Weeds of Eden
- Woolfolk Medical Billing Services
- World Lounge
- Your Personality In A Box



Partners



Special thanks to these community partners who volunteer their time to serve on the Microbusiness Loan Committee:

Ann Adams
George Addison
Bob Callandar
Charles Casper
Griffin Cottle
Alane Goldstein
Dan Heffernan
Valerie Henderson
Kurt Hummell
Janet Jernigan
Rhonda Jones
Don Kellar
Lisa Locke
Scott Love
Donna McDonald
Brian Pearson
Kathy Pleasant
Gil Roberts
Toni Sears
James Winchell



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