



CDFA-TEDC Webinar:
Putting RLFs to Work: Focusing on Access to Capital for Small & Minority-Owned Businesses

Thank you

for joining the conversation today. Send us your questions and comments!

Welcome

The Broadcast will begin at 1:00 PM (Central)



CDFA-TEDC Webinar: Putting RLFs to Work: Focusing on Access to Capital for Small & Minority-Owned Businesses

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Ariel Miller

Manager, Research & Technical Assistance
Council of Development Finance Agencies

See all of CDFA's resources online at www.cdfa.net/resources



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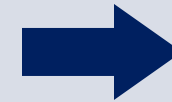
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Using your telephone will give you better audio quality.



A screenshot of the GoToWebinar interface. The top window is titled 'Audio' and shows two options: 'Computer audio' (unselected) and 'Phone call' (selected). Below these are fields for 'Dial: +1 (562) 247-8422', 'Access Code: 358-211-224', and 'Audio PIN: 6'. There is also a link for 'Problem dialing in?'. The bottom window is titled 'Questions' and contains a text input field with the placeholder '[Enter a question for staff]' and a 'Send' button. The GoToWebinar logo is at the bottom right.

Submit your questions to the panelists here.



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CDFA-TEDC Webinar: Putting RLFs to Work: Focusing on Access to Capital for Small & Minority-Owned Businesses

Panelists



Steve Hall

Senior Director Economic
Development Lending, LISC



Rosa Rios Valdez

CEO
BCL of Texas



Richard F. Gianni

Senior Executive Vice President
LiftFund

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LSC

February 2021



Entrepreneurs of Color Fund

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- **Why Entrepreneurs of Color**
- **What is the Entrepreneurs of Color Fund**
- **EOCF Structure**
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Why Entrepreneurs of Color (EOC)?

If people of color in the U.S. owned businesses at the same rates as white Americans, the country would have one million more businesses, nine million more jobs, and \$300 billion in additional income.

Expand Equity in Access: EOC have been systemically excluded from accessing external financing, which has further exacerbated barriers to entry – lower credit scores, less collateral/lower wealth, lower profit margins and less cash flow buffer.

Increase EOC's Capacity for Success: Lack of access to coaching, advisory services and vital networks further exacerbates these challenges for EOC.

Improve the CDFI Ecosystem: We must sustain and strengthen CDFIs with programs explicitly targeting EOC, as they can help bridge the gap and demonstrate that the risk of lending is overstated.

Achieve Scale: We need to make it easier for CDFIs to serve EOC at scale, increasing capital invested in our communities.

What is the Entrepreneurs of Color Fund (EOCF)?

Overview

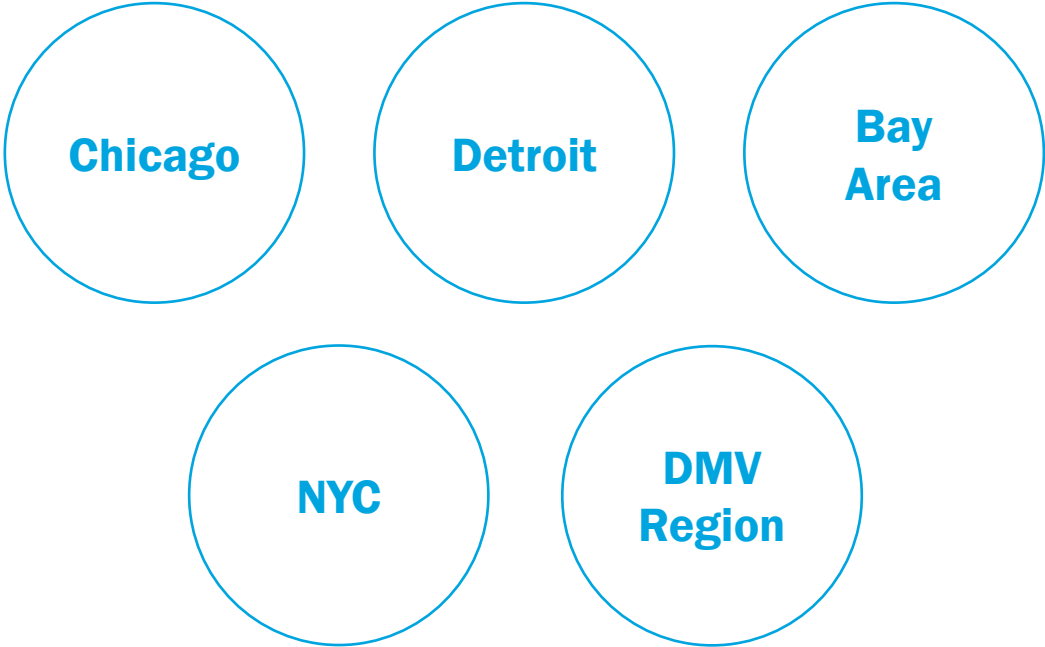
To increase access to capital for entrepreneurs of color, EOCF directly supports Community Development Financial Institutions (CDFIs) that provide small business owners with capital and technical assistance that they are often unable to access from traditional sources. CDFIs are community-based, positioned to know their borrowers, and offer technical assistance informed by local realities. CDFIs can also make loans that regulated banks can't, supporting entrepreneurs at the time they need it most and increasing racial equity.

Objectives

- Provide creative, flexible capital to meet the needs of minority business owners and help them build a path to bankability, positioning owners to access capital through traditional financial institutions.
- Sustain micro- and small business-focused CDFIs
- Stabilize and create jobs for communities by strengthening local businesses

EOCF Target Markets

EOCF currently operates in **five metro areas**:



EOCF is **expanding to multiple new metro areas**.
Initial expansion sites include:



If you are interested in bringing EOCF to a new market, please let us know. We will keep AFN apprised as new sites are selected.

The Structure of the EOCF

In each market, EOCF has selected CDFIs to receive grant and/or loan capital to make low-cost loans and provide high-touch technical assistance to entrepreneurs.

At the national level, LISC oversees EOCF, providing a centralized data system to track outcomes across all markets; reporting on impact; offering peer learning opportunities; and managing a national investment fund for the participating CDFIs.



Current CDFI Partners in Each Market

Chicago



Bay Area



Washington D.C.



Detroit



New York City



Impact: Borrower Success Story

The Business

Urban Roots, Inc. is a Chicago-based lawn care, landscaping, parking lot maintenance, and snow removal services company that grew from a home-based business with just two clients into a thriving company that serves numerous residential, commercial, and industrial properties.



Jimmie Williams, the owner, is a driven entrepreneur dedicated to supporting the local community. Urban Roots, Inc. is working on a re-entry training program for former offenders. They will provide field training, teach managerial skills, and provide entrepreneurship courses. Mr. Williams, a returning citizen, is committed to providing opportunities to people returning to their communities after time in jail or prison.



The Loan

LISC provided Urban Roots, Inc. with a **\$440,700 acquisition loan** to purchase a new property that will allow consolidation of office space, operations, and storage in a single location, as well as hiring up to three new employees. Owning the building will help protect the business's assets (e.g. equipment) as well as allow for more efficient operations.

The EOCF Impact

The business did not have sufficient funds for a down payment on the building. **Grant funds from EOCF helped mitigate the risks to the lender by filling the equity gap and enabled Urban Roots, Inc. to obtain the loan to purchase its new space.**

“The Entrepreneurs of Color Fund gave us the opportunity to grow and expand our business,” said Jimmie Williams, Entrepreneurs of Color Fund loan recipient and owner of Urban Roots, Inc.

“Now, we can continue to offer our services across Chicago, help create more jobs in our neighborhood and give back to our community.”

Impact: Leveraging other Funding

Join the growing number of EOCF's national and local supporters*:

- JPMorgan Chase
- W.K. Kellogg Foundation
- Fifth Third
- First Midwest Bank
- U.S. Bank
- The Coleman Foundation
- McCormick Foundation
- The Chicago Community Trust
- Providence Bank & Trust

Our commitment to the Entrepreneurs of Color Fund provides a pathway for community ownership, better jobs and more opportunities. The goal is more equitable economic development and an increased of quality of life for the people of Detroit and their children.

La June Montgomery Tabron
President and CEO
W.K. Kellogg Foundation



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bcl



RLF CAPITAL FOR SMALL MINORITY OWNED BUSINESSES

Rosa Rios Valdez, CEO

April 26, 2021

ABOUT BCL OF TEXAS

- 1990** BCL become a statewide nonprofit business & community lender
- 31** Years of Building Strong Communities
- 8,000+** Jobs created
- \$160M** Annual payroll impact

Certified Development Corporation (CDC)
Certified Development Financial Institution (CDFI)
Texas Licensed Mortgage and Consumer Lender
Most product diverse minority led CDFI in Texas
Non-profit economic development organization
Full cycle lender
Intermediary and Partner

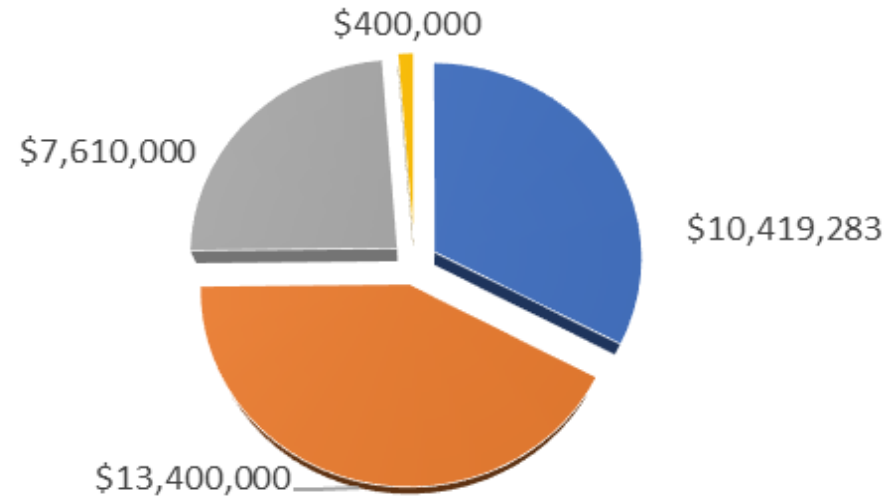
licensed by the US small business administration (SBA) since 1990
U.S. Treasury 2000, Statewide 2016
November 2014)
Self-Certified 2018
committed to improving the lives of Texans
provide Technical Assistance for the life of the loan
to banks, other nonprofit lenders & Economic Dev. Corporations





bcl

BCL \$31.8 Million of Capital for Lending as of October 31, 2018



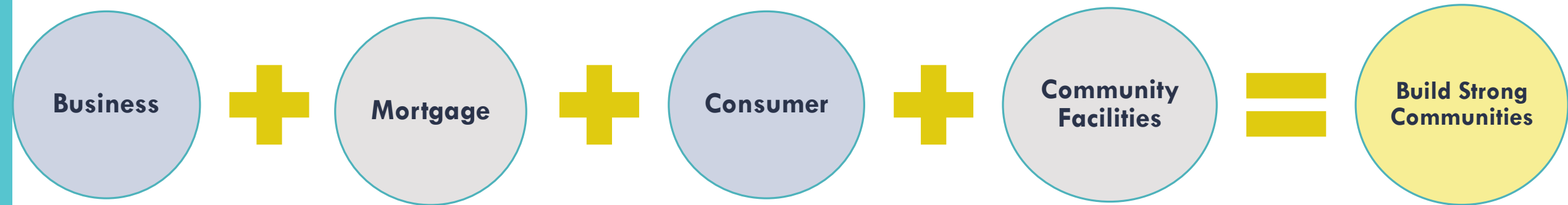
2.39% Ave
Cost of funds

■ Federal /State Funds ■ Grants ■ Bank Loans ■ Foundations

CAPITAL SOURCES

BANK, PUBLIC, FOUNDATIONS

BCL Loan Products



A leader in inclusive lending, the Mission of BCL of Texas is to Build Strong Communities



INNOVATIVE LOAN PRODUCTS



- **Diversity Fund** (for People of Color, LGBT, Veterans) \$ 3,200,000
- **Mortgage Down Payment Assistance** (Forgivable loans) \$13,000,000
- **Small Business Disaster Recovery** (Zero%, 60 mos) \$ 1,000,000
- **Creatives** (music, artist, theatre, non-profits) \$ 500,000
- **Affordable Housing Pre-Development** (multi/single fam) \$ 1,300,000

i lend you so much



REACHING DIVERSE MARKETS

- Honor the commitment to serve people of color
- Establish outreach and market penetration goals
- Prepare language appropriate materials and applications
- Consider relaxed loan underwriting (lower the credit criteria)
- Promote in a variety of social media (TV, radio, print, facebook) in various languages
- Go to the customer – small minority owned businesses are hesitant to apply
- Engage experts with experience reaching diverse markets
- Share success stories



**Meet our Loan
customers**



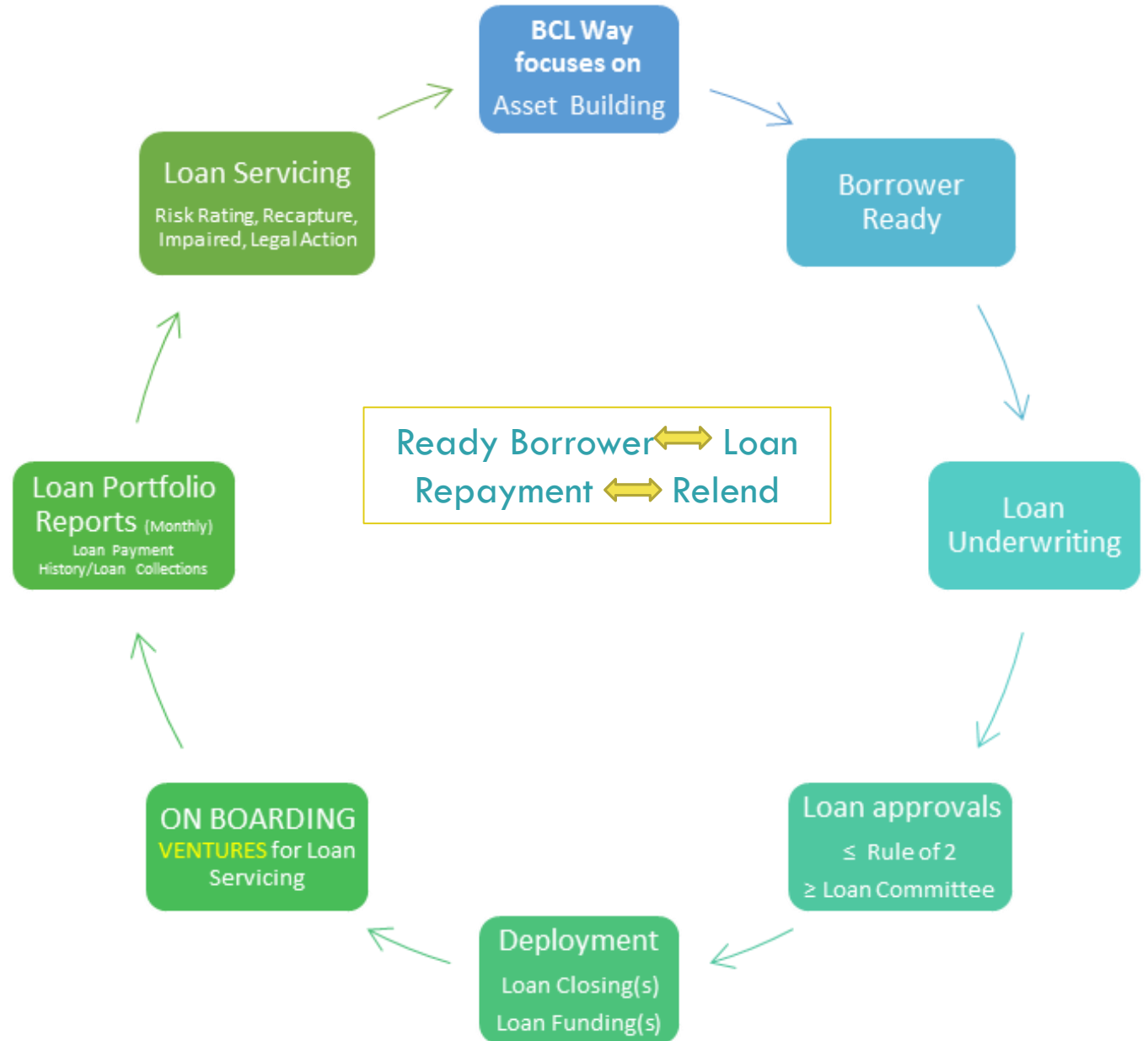
CHALLENGES = OPPORTUNITY

- Support legacy businesses
- Retool, Rebuild, Reopen
- New options for vulnerable local businesses (CARES Relief grants, SBA PPP)
- Possibilities for combination Grant & Loan ...local EDC support
- Fund small business Technical Assistance for local business sustainability
- Establish local Revolving Loan Funds – especially during economic recessions
- Collaborate, innovate and take risks



FULL CYCLE LENDING IS TRANSFORMATIONAL

WHY important – ensures “borrower ready”, loan repayment and asset building



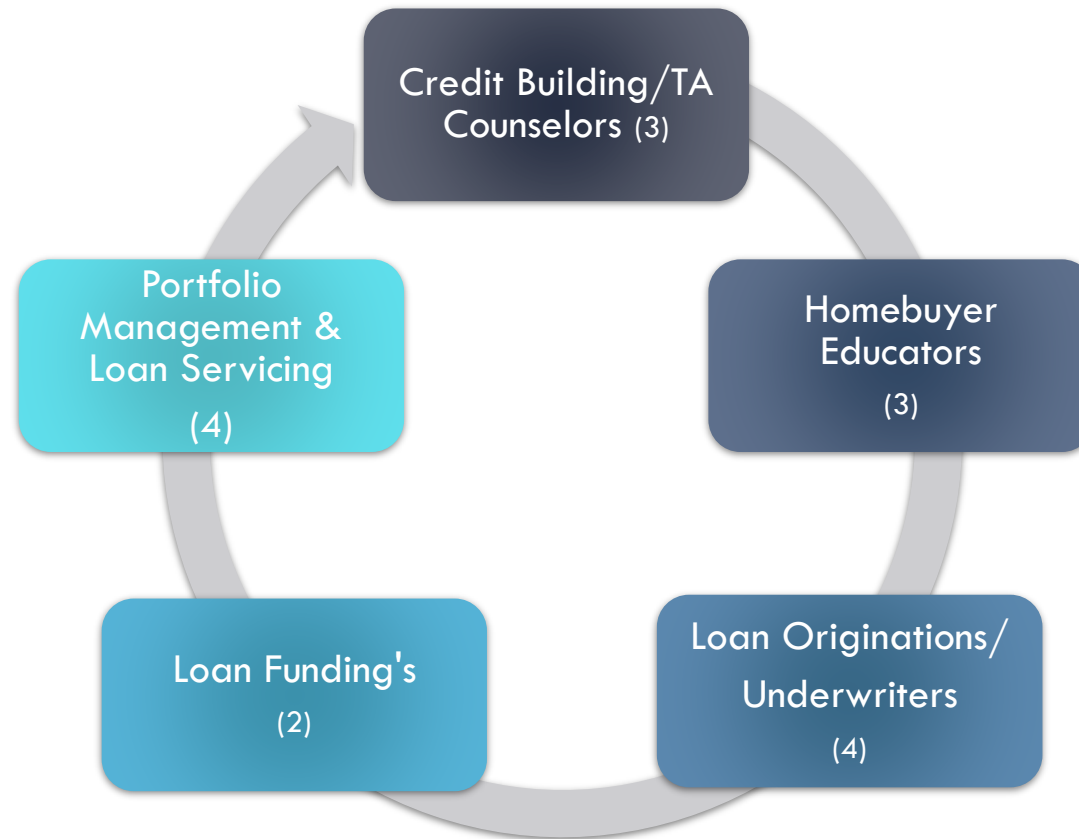
REVOLVING LOAN FUND MANAGEMENT

- Onboarding – Ventures Software
- Industry Concentrations
- Loan Portfolio Reports – Payment History
- Quarterly Risk Rating
- Non Accruals ≥ 90 days ≥ 120 days
- Impaired Loans
- Loan Modifications
- Legal Action - Judgements
- Liquidation
- Loan Servicing
- UCC renewals
- Recording Deeds of Trust
- Escrow Payments
- Verification current property insurance
- Verification paid property taxes
- Site inspections
- Business Financial Analysis
- Independent Portfolio Review



STAFFING SUPPORT

16 Certified & Trained Professionals



PROFESSIONAL CERTIFICATIONS

- Economic Development Finance Professional (EDFP)
- Housing Development Finance Professional (HDFP)
- Commercial & Residential Appraisal Reviews
- Mortgage Underwriting
- Loan Risk Rating
- Loan Liquidations
- Financial Capability & Asset Building
- Entrepreneurship
- Homebuyer Education
- Business Finance
- Leadership
- Executive Management
- Power Pipeline

National Development Council
National Development Council
Independent Bankers of Texas
National Mortgage Banks; Fannie Mae, HUD, USDA
National Assoc. Development Companies
National Assoc. Development Companies
NeighborWorks America
Association of Accredited Small Business Consultants
NeighborWorks America & HUD
4 staff with Business Finance Degrees
OFN Fellow, NALCAB Fellow, GAHCC Fellow
Harvard University
Leadership Texas



Dependable

*A trusted partner,
with the customer
and resources
that make a
difference.*

Experienced

*BCL has been
improving lives and
building communities
for 28 years.*

Innovative

*An industry leader
in lending and creating
opportunity in communities*

**WHAT CUSTOMERS AND
PARTNERS SAY**



CONTACT US

- Web: bcloftexas.org
- Call us: (888) 718-0180
- Email: rriosval@bcloftexas.org





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Richard F. Gianni
Senior Executive Vice President
LiftFund

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Focusing on Access to Capital for Small & Minority-Owned Businesses

Richard Gianni, Executive Vice President of Microlending



About LiftFund

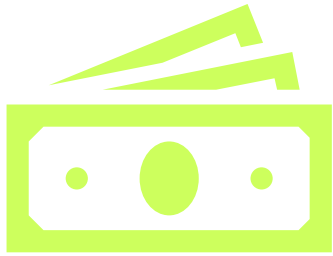
LiftFund provides small business loans and business support services to entrepreneurs unable to receive funding from traditional sources.



Our client are diverse:

- 80% are minorities
- 11% are veterans
- 40% are women

Our 2020 Impact

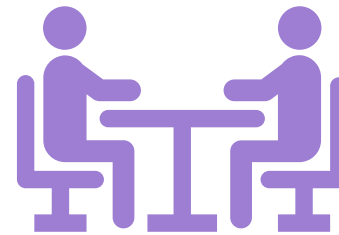


\$93 Million

\$38M in loans
\$45M in grants



4,400+ business
owners supported with
capital



4,645 clients received
consultation services:
planning, advice & more



433 free webinars
with 3,400+ participants

Relief Funding Options

- SBA Paycheck Protection Program Loan
- Recovery Small Business Loans
- Relief loans with forgiveness option
- Small business grants

RLF Best Practices

- Responsive to the needs of small businesses
- Flexible rates and terms
- Tailored to underestimated and underserved demographics
- Designed for growth
- Complemented with guidance and business support



Business support services

Virtual Learning Opportunities

We are hosting a variety of webinars to connect small business owners with experts on topics relevant to the current challenges our community is facing. Visit www.LiftFund.com/events to learn more.

One-on-one business advice

Our business support team can also provide individualized support, brainstorm ideas and share resources via our one-on-one business consultation sessions. To connect with a business advisor, please email: businesscenter@liftfund.com

Initiate Online Learning Platform

An online library of videos and tutorials around three main topics: money, management and marketing, that business owners can access at no cost and at their leisure. Visit www.liftfund.initiateprosperity.org to learn more.

The way forward

The need is greater

We continue arduously seeking partnerships to lift more businesses in our community. Every one can help and every dollar makes a difference.

Advocating for small business support

At the local and national level, we continue voicing the challenges and support needs of the small business community.

Sharing in the journey

We know small businesses are trying their best to navigate the uncertainty and we are here to help.



Connect with us!

info@liftfund.com | 888.215.2373 | www.LiftFund.com



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Upcoming Events

CDFA // BNY Mellon Development Finance Webcast Series: Preserving Local Economies with Energy & Water Finance

Tuesday, May 18, 2021
2:00 PM - 3:00 PM Eastern

CDFA Federal Financing Webinar Series: Federal Programs for Affordable Housing Investment

Tuesday, May 11, 2021
2:00 PM - 3:30 PM Eastern

Intro Revolving Loan Fund WebCourse

June 23-24, 2021
Daily: 12:00 - 5:00 PM Eastern

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Register online at www.cdfa.net



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Upcoming Events



AUGUST 2-12, 2021

CDFA VIRTUAL SUMMER SCHOOL

REGISTER NOW

PRESENTED BY THE
CDFA TRAINING INSTITUTE



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CDFA Virtual Summer School

August 2-12, 2021

Daily: 12:00 PM - 5:00 PM Eastern

Agenda and registration online at www.cdfa.net



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