Community Focus Statement D: Encourage home-grown businesses and small enterprises that provide jobs and economic development opportunities to Muscoy residents.

D2

Action Statement D.2: Encourage the establishment of microenterprise loan programs to improve access to capital providing small affordable loans to entrepreneurs and new businesses that may not be eligible for traditional business financing.

Benchmark: A regularly updated one-stop organization or resource for small businesses owners that provides education and information on microenterprise loans is created or identified.

Champion: Volunteer group or person or can be identified by the community

Estimated Cost: $5000 - $100,000 variable depending upon size of fund, number and size of loans given

Local business in Muscoy. Photo source: Michael Baker International

Among the barriers that small businesses owners in Muscoy will encounter when starting a new business is the ability to obtain financing, especially for a microenterprise. A microenterprise is a business that has five or fewer employees and requires $35,000 or less in start-up capital. This description characterizes a large number of the businesses currently operating in Muscoy, as many are family owned and run with small staff sizes. These types of loan programs are critical to helping establish businesses that may not be operating legally due to a lack of funding.

Microenterprise loan fund programs are generally available through certain nonprofits which are experienced with this type of loan and target assistance for small businesses and start-ups that are typically not bankable. These programs offer "gap" financing, which means the funds are provided only when other financing sources are not available, to avoid competition with traditional banking institutions.

Many of the small and start-up businesses (home-based businesses) currently in Muscoy might have poor or little credit history, thus creating a barrier to finding start-up funding. Muscoy has the opportunity to utilize small-scale and home-based food and agriculture production as a means of increasing local resiliency. One existing source of information available is through the Inland Empire Small Business Development Council (SBDC). This organization offers financing information on how to apply for a Small Business Administration (SBA) loan and other potential funding sources for small businesses.

The US Department of Agriculture (USDA) also has a Rural Microentrepreneur Assistance Program which provides loans and grants to Microenterprise Development Organizations (MDOs) that in turn identify and provide

microloans, training, and technical assistance for microenterprise start-ups. These loans and grants target rural communities like Muscoy. The USDA has specific criteria listed on its website (https://www.rd.usda.gov/programs-services/rural-microentrepreneur-assistance-program). The website also provides information on loan terms, how much funding is available, how funds should be used, and how to get started.

Action	Action Leader	Timeline	Resources
1. Create/identify a central organization or group to serve as a point of contact for new businesses.	Champion	Month 1	US Small Business Administration https://www.sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/microloan-program
2. Research existing programs listed in resources.	Organization	Month 2	
			USDA Rural Development https://www.rd.usda.gov/programs-services/rural-microentrepreneur-assistance-program
3. Reach out to the resources listed to establish connections and gain information on starting a program.	Organization	Months 2 – 4	
4. Publicize the organization to new or potential businesses owners through the creation of a welcome packet.	Organization with San Bernardino Area Chamber of Commerce	Month 4	Inland Empire Small Business Development Center http://www.iesmallbusiness.com/resources/
5. Monitor the progress of new businesses and adjust resources based on feedback.	Organization	On-going	

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