

The Headwaters Fund  
2007 Grant Fund Application  
COVER SHEET

For Office Use Only

Application #: 200703  
Organization #: 59

Date of application: July 19, 2007

I. COVER SHEET SUMMARY INFORMATION

Type, word process (this form may be downloaded from our website) or print neatly.



A. Organization Information

Organization Name: Humboldt Community Access and Resource Center (HCAR)

Address: 1707 E Street, Eureka, CA 95501

Telephone number: 707-443-7077

Fax number: 707-443-0781

Director/CEO: Ms. Donna Shipley, Executive Director

Organization Type: Nonprofit type: 501 c3 (c3, c4, etc.)

Total current year organizational budget: \$4,019,265

# of FTE employees: 100

Summarize the organization's mission (one or two sentences): *HCAR's mission is to connect people who have disabilities with the community by providing opportunities for learning, living and employment.*

B. Project Information

Project title: Mini-loans to support micro-enterprise start up and development for people with developmental disabilities.

Amount requested: \$7,500 Total project cost: \$26,164 Period covered: ongoing from 1/1/08

Total match amount: \$16,000 in funding from the Redwood Coast Regional Center

Cash match: \$16,000

In-kind match: Staff hours/project administration from HCAR

Type of project (specify planning/technical assistance or implementation): Implementation

Geographic focus of project: Humboldt County, CA

Contact person name and title: Donna Shipley, Executive Director

Contact phone: 707-443-7077

Contact email: dshipley@hear.us

## NARRATIVE

- 1. Summary of project/grant request:** HCAR is requesting \$7,500 from the Headwaters Fund to create a mini-loan fund that will be specifically used to provide start-up funding (up to \$1000/person) for adults with developmental, and other disabilities, who have determined, following an intensive assessment and planning process, that their best option for employment is their own business. The funds will only be available to clients who are enrolled in our Comprehensive Career Services Program<sup>1</sup> and are unable to access financing from traditional sources. The proposed mini-loans will be only one component of a support system that includes business planning, exploring sources of funding, coaching and ongoing support. These funds may be loaned to clients to purchase equipment or supplies to start their business. When they are successfully repaid, the funds will provide funds for future clients as well as a credit history for the borrowers. This fund could also potentially be utilized as collateral if the client seeks additional funding from a more traditional lender.

**Describe the project including project goals.** The primary goal of this project is to increase the number of individuals with developmental and other disabilities who have the support and resources they need to create and maintain a small business.

The past generation has seen significant change in the lives of people with developmental disabilities. Less than 50 years ago, a child who was diagnosed with mental retardation, autism, traumatic brain injury, cerebral palsy or some other chronic condition that impairs mobility or cognitive function could expect to spend most of his/her life in an institution. Today children and adults with developmental disabilities attend school and are encouraged to have a participatory role in the life decisions that lead to self determination and the realization of their fullest potential. This includes participation in all aspects of the life of their community.

Employment is a significant factor in inclusion. Both scholarly research and common sense tell us that a person who is a contributing, working member of his/her community is more likely to feel included and is better able to be an asset to the community at large. Through years of experience, we have learned that supported employment in community-based businesses or self-employment in one's own business is more effective (economically and socially) than the "sheltered workshops" that were a common source of employment for adults with developmental disabilities during the past twenty years. This has resulted in a national movement to replace work activity programs with community-based employment, including micro-enterprise.

HCAR recently received support from Redwood Coast Regional Center to create a new program that will utilize the most current practices in the field to close our existing Work Activity Program and utilize our years of expertise to place its clients in appropriate community-based situations. This program will utilize a person-centered approach to move people currently in sheltered employment to other types of activities. This may include, but is not limited to, supported employment, volunteer employment and/or self-employment.

Although most of the people who complete our assessment process state that their primary goal is a paying job, a rural community like Humboldt County offers limited options for vocational choices, particularly for individuals with complex support needs. Self-employment can be a viable choice for people who have clear ideas about what sort of work they would like to do, and have the support available to them to create and maintain their own business. Self-employment also offers tremendous opportunities for inclusion because of the supplier and customer chains that all enterprises develop and rely on for success. Our research shows that there is also a

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<sup>1</sup> Please refer to section 2 for a detailed explanation of this program.

market for the types of services that our clients are willing and able to provide (lawn care, confidential document disposal, delivery, janitorial services, etc).

For many people with developmental disabilities, self-employment holds the promise of financial equity, contains unique opportunities under the Social Security Act, and presents options for personalized accommodations not easily found in wage employment. These factors, coupled with the desire to expand the possible range of employment choices has allowed self employment to grow.

Our new program will be able to offer competent support to people who wish create a small business and become self employed. This may include assistance with feasibility studies, the development of a business plan, market research, linkages to community resources (SBDC, financial institutions, business associations) and assistance with paperwork (taxes, and forms). The Comprehensive Career Program will be able to provide all of these services, but the key piece that is missing is the ability to help clients with start-up funds. Unfortunately, the one factor that may prevent an otherwise successful business from starting could be lack of funds to purchase a lawnmower, get the car repaired, buy a bicycle or some other relatively small expense.

Financing is a challenge for all business owners, but it can be particularly challenging for people with developmental disabilities. Many have few assets of value to help secure a business loan. They may have lived for years in poverty, unable to establish a sound credit record. They may have poor credit due to an unexpected health emergency or accident that created large medical expenses at the same time that they were no longer able to work. The traditional source of start-up capital has been loans from family members, but many of our clients prefer to be independent of their families, or do not have families with the resources to provide this help.

**How and to what degree will the project further economic development in Humboldt County? Quantify where possible. List measurable outcomes and how outcomes were calculated – e.g. explain how you estimated jobs created by the project (please be specific and state assumptions).** The supported employment movement, currently the primary route taken by people with developmental disabilities, is dependent on a growing economy which hopefully will produce an increase in jobs, but we know that this can be problematic in a rural community. Self-employment is a viable way to enable entrepreneurs with developmental disabilities to contribute to the economic development of a community. The research available to us supports the conclusion that, given the opportunity and with appropriate support, people with developmental disabilities can become successful entrepreneurs<sup>2</sup>. This project will have the potential to create jobs for people who desperately want to work, but have traditionally had a very difficult time finding employment. It will also enrich our community by strengthening several of our identified industry clusters. This includes arts and crafts (HCAR already operates the Cheri Blackerby Gallery, Humboldt County's only "outsider" art gallery, where artists with developmental disabilities are marketing original art) and providing services and products that enhance tourism and agriculture—but is by no means limited to these areas.

Each of the businesses that is created will employ at least one person, who with the support of HCAR's experienced and dedicated staff will ensure that the business has a reasonable chance of success. We anticipate that this new program will create at least 20 new work situations each year. We assume, based on information from the Regional Center, and from similar programs in other areas of the country, that about 10% of them will be interested in becoming self-employed.

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<sup>2</sup> Neufeldt, A., Albright, A. L. (1995). An international study of strategies leading to self-directed employment. *International Journal of Practical Approaches to Disability*, 19 (2), 3-8

Therefore, we estimate that this program will help to create at least 10 new jobs for people with developmental disabilities over the next 5 years.

**Program Objectives:**

- By September 30, 2008, the HCAR Board will have appointed a Mini-Loan Advisory Committee that includes at least one staff member, one board member, one HCAR client and one community member with a connection to a financial institution.
- By December 1, 2008, the Mini-Loan Advisory Committee will have developed guidelines for the loan program, an application process and developed outreach materials that publicize the loan program to eligible clients.
- During the five year period starting January 1, 2008, the HCAR mini-loan program will make at least 12 mini-loans of up to \$1000 to adults with developmental or other disabilities, who are enrolled in our Comprehensive Career Services Plan, have completed the assessment process, and have developed a business plan.
- Within the five year period starting January 1, 2009, at least 10 of the clients who have received loans will have paid the loans back and created a small business that provides self-employment.
- Funds received from loans that are repaid will be returned to the fund and utilized as mini-loans on an ongoing basis.

2. **Describe who and how many will benefit from the project.** This project will benefit at least 20 adults with developmental disabilities. These are potential workers and business owners, who without a source of start-up funding, would never be able to create a business and become self-employed. It will also benefit the community by having a greater number of much-needed services available, and by increasing the number of adults with developmental disabilities who are gainfully employed.
3. **What methods will be used to achieve the expected results? Include a scope of work, timeline, description of relationships with other programs or projects, and a description of stakeholder involvement in planning and execution. Submit the project budget in Attachment III.A below.** Clients who have developed a viable business plan and have shown that there is a market for what they want to offer, will be able to apply for up to \$1000 in start-up loan funds from the micro-business loan fund. An Advisory Committee, appointed by the HCAR Board of Directors will include staff, at least one self-employed consumer and a representative of a local financial or business institution. The Advisory Committee will develop the application procedures, review applications and allocate the loans. Clients will be expected to include a plan for paying back the loan, which is then available for other eligible clients. Once the loan is successfully repaid, the client has a credit reference. HCAR staff will accompany him/her to apply for further loans. The loan fund may be offered as collateral if the person is applying for financial assistance that requires a co-signer.

**Project Timeline:**

June 30, 2007: finalize contract for services with Redwood Coast Regional Center

August 2007: recruitment of new staff

September 2007: implementation of Comprehensive Career Services and planning for Mini-loan fund

October 2007: development of guidelines for loan fund and recruitment of advisory committee

January 2008: clients are enrolled in new program. At least one business plan completed. Loans are available

Ongoing for at least five years: micro loans (up to \$1000) are available to clients who are enrolled in our Comprehensive Career Service, have researched and developed a business plan, and have applied for financial assistance and been accepted by the Advisory Committee

**Other Programs/Stakeholder Involvement:** We are currently in the process of implementing our new Comprehensive Career Service, which involves finding new vocations for the people who have been enrolled in our sheltered workshop program. We were notified recently that the Comprehensive Career Service has received funding from the Regional Center. This program will serve adults with developmental disabilities who are also Regional Center clients. Each individual will receive personalized one-to-one services that include assessment, transportation, setting of individual goals, training and ongoing support as he/she moves from the workshop to a new job. As with all HCAR programs, each client is the primary decision maker regarding his/her needs, desires and skills. HCAR's program proposes to go several steps beyond asking each client what he/she would like to do. We offer the External Situational Assessment, where a client actually has the opportunity to try out a job to decide if it is really what they thought it was. We also consult other service providers, friends, family, life partners, care providers and employers to ensure that each client receives the most appropriate support and the best placement possible. Self-employment and the creation of a small business is just one of the many options.

4. **What qualifications do the organization, partners and project staff bring to the project? Outline key staff and partners including their qualifications. Include a brief overview of the organization and list any relevant certifications, licenses, etc.** HCAR has been offering programs that help people with developmental disabilities here in Humboldt County for over 50 years. During that time, our services have changed, but our mission has not—the primary goal of all of our services is community inclusion, individual independence and family unity. HCAR's Baybridge Employment Services will be the home of this program. Baybridge has taken a leading role in the community for more than twenty years by providing adults with disabilities with assessment, training, education, job development and job coaching. Fifteen years ago, the Work Activity Program was created at the request of the Department of Rehabilitation, but HCAR actually has more experience developing community based employment for our clients. Baybridge has a reputation for quality and success. In 2006, the program was accredited by and received the highest possible level of recognition from CARF, an independent international organization that evaluates and accredits rehabilitation and employment programs.

HCAR staff members are well prepared and trained to manage this program. Staff members in all of our programs are required to complete a minimum of training, which includes first aid, CPR, universal precautions, etc. All direct support staff in our programs are also required to complete online coursework through the College of Direct Support as well as HCAR's own B.A.S.I.C training (16 hours of live competency based training in basic behavioral theory and proactive crisis intervention). The staff of this program will also be required to complete advanced coursework that is specifically designed to support providers of employment services

to adults with developmental disabilities via online programs offered by Virginia Commonwealth University.

5. **How do you know the project will succeed? What are the risks and challenges?** The Comprehensive Career Program is part of a national movement to close “shelter workshops” and move people into community based employment. We know that many people with developmental disabilities, particularly those in rural areas where jobs are often scarce, have already successfully created opportunities for themselves through entrepreneurship. In fact, according to the U.S. Census Bureau, people with disabilities (of all types) are nearly twice as likely to be self-employed as the general population, 14.7 percent compared to 8 percent.

According to a recently published article by a team that has been assisting people with developmental disabilities start their own businesses since 1979, “Self employment is not a good substitute for proper job development, systematic instruction, and natural support. Using these techniques, people experiencing the most significant developmental, psychiatric, brain injury, behavioral, and physical disability labels can work and prosper.”<sup>3</sup> We have seen numerous examples of people from all over the country who have successfully, with the help of their families and supporters, started and maintained small businesses.

**Risks and Challenges:** People with developmental disabilities often confront barriers when attempting to start entrepreneurial ventures. For example, they may not be able to access the capital needed to start a business because they lack satisfactory credit or assets to use as collateral for a loan. Also, they may not have the information and resources they need to develop an effective business plan. We have identified these barriers and designed our program to help overcome them. Despite this, we know that a significant percentage of all new businesses are not successful, and that there is some chance that even successful entrepreneurs will not pay back the startup loans. We anticipate that continued ongoing support, even after the business is launched, as well as the increased flexibility and client satisfaction will help us to overcome these challenges.

6. **How will you evaluate (quantitatively and qualitatively) the success of the project? When the project is complete, how will you know if it has succeeded (e.g. quantified increase in sales/jobs, change in behavior)? What indicators will you look at (and when) to gage success?** Our project will be successful if we are able to help at least ten people with developmental disabilities start successful small businesses and they are able to repay the loan funds so that we can maintain an ongoing mini-loan fund for our clients.
7. **How will the project be sustained after the grant?** We will continue to re-cycle the repaid loan funds through the fund so that they can be used for other clients. Repayment of loans.

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<sup>3</sup> Carey Griffin & Dave Hammis, The Rural Institute at The University of Montana & Griffin-Hammis Associates, LLC. From “People who Own Themselves” 2006

#### IV. PROJECT BUDGET FORMAT

Use the following format for your project budget submittal. You may modify individual "Project Expense Items" depending on your project's needs (i.e. you do not need to use the expense items shown if they do not apply). For major expenses, please be specific (e.g. instead of listing "Equipment - \$20,000", write "10 laptop computers - \$20,000"). See *Application Instructions* for guidelines on overhead costs. You may recreate this form on your computer or download it at [www.theheadwatersfund.org](http://www.theheadwatersfund.org)

Project Expense Item	Total Cost (\$)	Requested Amount from Headwaters Grant Fund	Amount from Matching Funds	Source of Matching Funds
<i>Example: Travel</i>	5,000	2,000	3,000	United Way grant
Direct Salaries & Wages (breakdown by individual position & indicate full or part-time; list indirect staff costs in "Overhead- staff related" section below)				
Staff Salary			8000	Regional center
Staff Training			5000	Regional Center
Sub-total: all Direct Salaries & Wages			13,500	
Benefits & Payroll Taxes (included in salary figure)				
Consultant & professional fees (specify)				
Travel (describe)				
Revolving start up mini loan fund*			7500	
Overhead- non-staff related: Work services closure costs			3164	Regional Center
Overhead- staff related (breakdown by individual position; include payroll taxes and fringe benefits)				
All Overhead Costs as % of Total Project Cost			2500	In-kind from HCAR
Total Project Cost			26164	

\*all expenses are for one year except revolving loan fund which is for five years.

## HUMBOLDT COMMUNITY ACCESS AND RESOURCE CENTER 2007 BOARD OF DIRECTORS

Name/Title	Term	E-mail	Committees	Affiliations
Richard Hendry PRESIDENT	Start Date: 1/95 Current Term: 7/04-7/07	rhendry@co.humboldt.ca.us	Personnel, Finance, Executive, Fundraising	Attorney, Humboldt Co. Counsel's Office
Julie Vaissade-Elcock VICE-PRESIDENT	Start Date: 10/03 Current Term: 10/06-10/09	julie@vaissademortgage.com	Personnel, Executive	Owner, Vaissade Mortgage Co and Parent of Consumer
Robert Jones SECRETARY	Start Date: 3/05 Current Term: 3/05-3/08	boblook@aol.com	Executive	Retired Clergy
Mandy Marquez TREASURER	Start Date: 10/05 Current Term: 10/05-10/08	mandy.marquez@usbank.com	Finance, Executive, Fundraising	Relationship Manager, US Bank
Mary Galletti	Start Date: 8/04 Current Term: 8/04-8/07			HCAR Consumer Consumer Advocate
Clyde Pomeroy	Start Date: 8/02 Current Term: 11/05-11/08	wmchation@aol.com		Consumer Advocate
David Walkley	Start Date: 11/06 Current Term: 11/06-11/09	david@walkley.us		Accountant
Joyne McGuire	Start Date: 4/07 Current Term: 4/07-4/10	jm128@humboldt.edu		Professor, Special Education, Humboldt State University



# Redwood Coast Regional Center

Respecting Choice in the Redwood Community

June 6, 2007

JUN - 8 2007

Donna Shipley, Executive Director  
Humboldt Community Access & Resource Center  
P O Box 2010  
Eureka, CA 95502-2010

Dear Donna,

Redwood Coast Regional Center is excited to inform you of our intent to contract with your agency for start-up funds in developing a day service in Humboldt County. The amount of the award is \$16,164.00. You will receive a start-up contract this month. We believe you have the potential to provide a much needed and innovative service in our community.

We will also need to meet with you about the finalization of your start-up budget, service design, timelines and daily rate structure. I will be the contact person for these particulars and can be reached at (707) 445-0893, ext. 323, or by e-mail at [pnarloch@redwoodcoastrc.org](mailto:pnarloch@redwoodcoastrc.org).

On behalf of RCRC's New Day RFP team, I once again want to congratulate you; we look forward to speaking with you on this project

Sincerely,

Peter Narloch, Interim Director  
Community Services Department

cc: Clay Jones  
Cindy Claus-John  
Kathleen Kasmire  
Sylvia Lodge

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