



A One Stop Shop for Small and Micro Business

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Presentation to the Federal
Reserve

www.vedc.org

Valley Economic Development Center

- ◆ Multi-ethnic CDC serving LA, Ventura, and Orange counties
- ◆ Will serve over 6,000 businesses in 2008
- ◆ Technical Assistance Provider for 32 years
- ◆ Largest Business Development Org. in Metro Los Angeles
- ◆ 7 offices stretching from the Valley to Downtown

One Stop Shop for Small Business

- ◆ Womens Business Center/Microenterprise Training
- ◆ Glendale Capital Access Center
- ◆ Los Angeles Business Development Corporation
- ◆ Downtown Historic Core Retail Project
- ◆ Retail and Economic Development
- ◆ San Fernando Valley Financial Development Corporation
- ◆ Pacoima/Credit Union

Womens Business Center/SFV Microenterprise Education

- ◆ Serving 5,000 businesses annually
- ◆ One on One Consulting: Marketing, Accounting, Strategic Planning
- ◆ 100 Workshops annually
- ◆ *Funding provided by SBA and City of Los Angeles (CDBG)*
- ◆ Startup and Business Plan Assistance
- ◆ Microenterprise/Entrepreneur training to fledging and startup business; Spanish language training

Glendale Capital Access Center:

- ◆ Serves 1,000 businesses annually
- ◆ Funding provided by Bank of America/Small Business Lending
- ◆ Originates over 500 SBA loans annually in Downtown and Main Office
- ◆ 300 loans funded for \$15 million in last SBA fiscal year, avg size: \$50,000
- ◆ 7(a), Community Express, 504

Community Express

- ◆ Partnership with Innovative Bank
- ◆ Originates 200 loans annually w/ 50% plus approval
- ◆ Stated income program based on FICO and type of business
- ◆ Loans from \$5-100k, 80% guarantee
- ◆ VEDC CAC originates and inputs directly into Innovative database

Community Express, cont

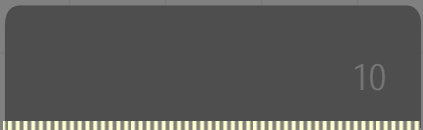
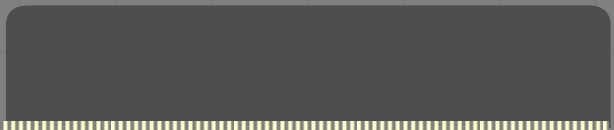
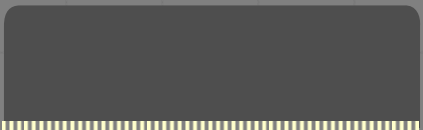
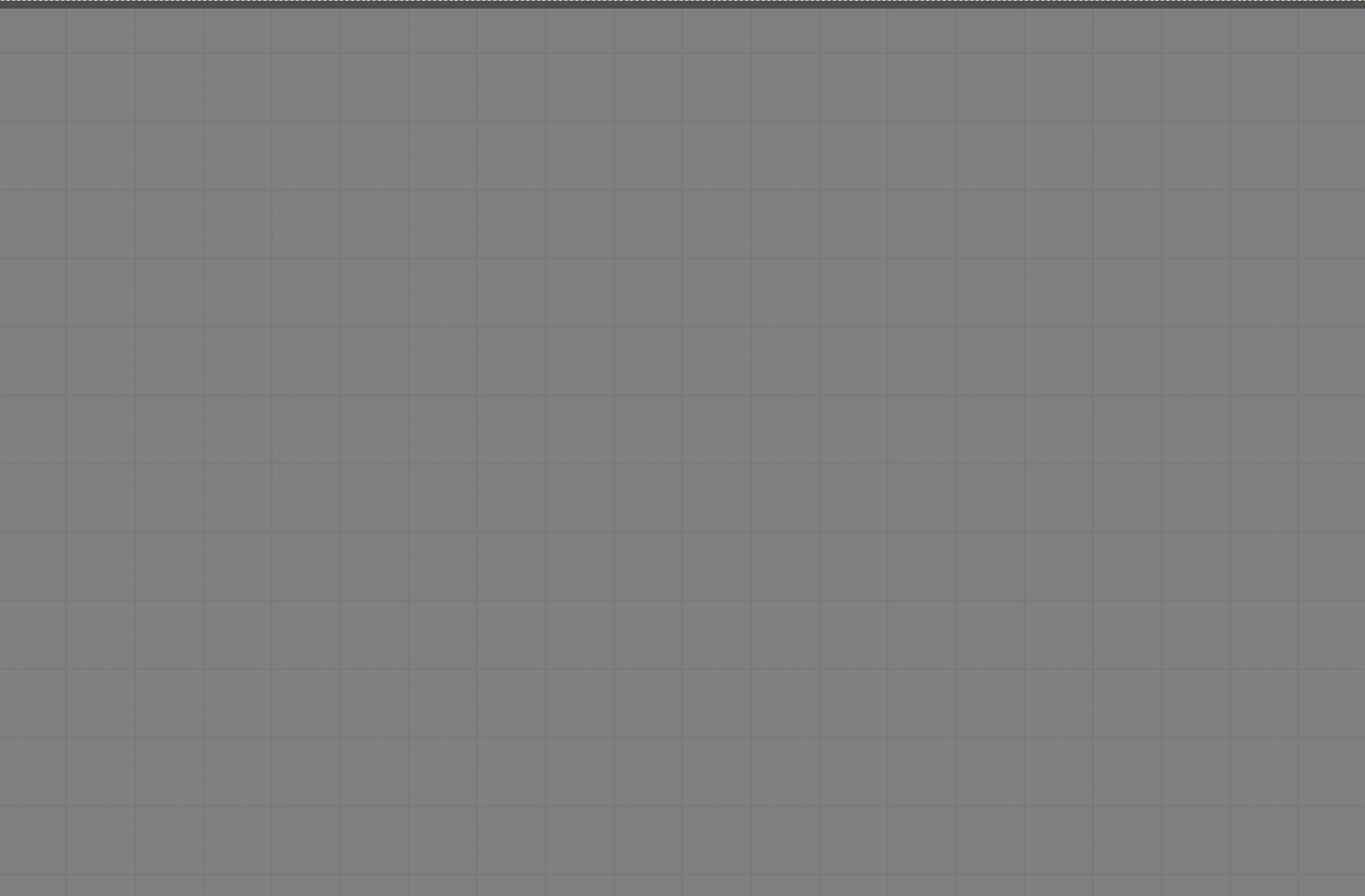
- ◆ TA provider to Wells Fargo, US Bank and others
- ◆ Loans up to \$250,000 with up to 80% guarantee
- ◆ Needs upfront assessment and identifiable TA program: training, workshops, one on one counseling
- ◆ Post loan referrals to TA providers may not qualify as eligible TA

Bank Partners

- ◆ Partnering with numerous commercial banks, including Wells Fargo, Bank of America, Wachovia, Citibank, HSBC, Wamu, and Cathay Bank to provide business and community development lending,
- ◆ Banks provide yearly financial support for operating support and loan origination
- ◆ Established referral and access to capital system
- ◆ VEDC product mix includes bank products

Where's the Money/Access to Capital Expos

- ◆ Annual events attracting up to 600 businesses in San Fernando Valley (Wells), Downtown LA (Cathay/BofA) and San Gabriel Valley (Cathay)
- ◆ Saturday morning inc bkfst, lunch, breakout sessions, loan pavilion
- ◆ 10-15 banks in expo setting offering products and services
- ◆ Wachovia Grow, Connect, Build: Expos in Orange Co., Oakland and San Diego



Los Angeles Business Development Corporation

- ◆ State Licensed Lender and **FEDERAL** Certified Development Financial Institution
- ◆ *US Dept of Commerce, Economic Development Administration* Revolving Loan Fund: \$5.5M Loan Fund
 - ◆ Generates \$500k plus in yearly operating support
- ◆ Micro Lending
- ◆ Portfolio Management and Debt Advisory

Micro Lending

- ◆ BofA/SBA Microloans: 75 loans , \$1,000,000 annually;
\$200,000 annual TA grant
- ◆ Pacoima Microloan Program with Wells Fargo, \$200,000
- ◆ Downtown Microloan Program with Cal National,
\$200,000
- ◆ Womens Microloan program with GE Money, \$500,000
- ◆ Microlending for others: San Diego/Asian group:
\$200,000: underwriting and servicing

Downtown Historic Core Retail Project:

- ◆ Retail for Downtown residential boom of 20,000 units
- ◆ 50 new businesses, 400 jobs created
- ◆ \$8 million in financing thru RLF, microlending, bank partners
- ◆ Unique model of 2nd tier retail in hottest RE market in So Cal
- ◆ City National, Northern Trust support

Economic Development

- ◆ Pacoima
 - ◆ 14 years, 800 businesses, 2,000 jobs
 - ◆ Retail Revitalization: \$2M in capital investment
- ◆ VITA: E file tax returns, 500, \$1,000,000 in refunds
- ◆ Chamber of Commerce, Wells Fargo support
- ◆ San Fernando Learning Center (Union Bank)
 - ◆ Union Bank sponsored Technology Center: computer training
 - ◆ 1,000 visitors in 2007

Affiliates: San Fernando Valley Financial Development Corporation:

- ◆ One of 11 FDCs in State of CA providing guarantees to bank loans and lines of credit
- ◆ Guarantee authority of \$10 million against \$2 million cash reserve
- ◆ \$30M in loans guaranteed to date, 3,000 jobs saved or created
- ◆ 14 new, small and medium sized banks are partners
- ◆ Projected to do SBA 504 lending by second quarter of 2008

Affiliates: Pacoima Development Federal Credit Union

- ◆ Credit Union opened for business in September 2005,
- ◆ Low Income Designation
- ◆ \$2.5 million in assets, 650 members, \$600,000 in used car loans
- ◆ \$1.8 million in bank and credit union CDs
- ◆ SBA lending begun in fourth quarter of 2007

Self sustaining

- ◆ Self sustaining, not self sufficiency
 - ◆ 20% bank, corp. contributions
 - ◆ 10% foundation
 - ◆ 40% government
 - ◆ 30% earned income and fee for service

Unique Partnerships

- ◆ Combine entrepreneurial underwriting with technical assistance
- ◆ Strong SBA relationship
- ◆ Strong credit relationship with banks
- ◆ Strong job creation requirements