



**Date:** July 6, 2018

**To:** Patrick H. West, City Manager *T.H.W.*

**From:** John Keisler, Director of Economic Development *JK*

**For:** Mayor and Members of the City Council

**Subject:** Update on Kiva Long Beach

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On November 7, 2017, the City Council requested that the Economic Development Department (ED) work with the Los Angeles Local Initiatives Support Corporation (LA LISC) and the Long Beach Community Foundation (LBCF) to establish Long Beach as a "Kiva City." To support this initiative, LBCF provided an \$18,000 grant to LA LISC for technical assistance support and matching grant funds for Kiva Long Beach. Planning began immediately, and, in January 2018, a Kiva Program Coordinator was hired to help manage the program. In February 2018, the Kiva Program Coordinator received training and began developing the program.

From March to June 2018, a total of ten Kiva Trustees were recruited, including the following organizations:

1. ABC Black Foundation
2. Bixby Knolls Business Improvement Association
3. Downtown Long Beach Alliance
4. Institute for Innovation and Entrepreneurship at CSULB
5. Ironfire Business Incubator
6. Startitup
7. United Cambodian Community
8. Valley Economic Development Center
9. World Famous VIP Business Incubator and Multimedia Center, and,
10. Zaferia Business Association.

The role of Trustees generally includes: identifying businesses and entrepreneurs who would benefit from a Kiva loan, evaluating potential borrowers, and supporting borrowers throughout the Kiva process. Trustees have no financial or legal liability for loans they endorse.

In May 2018, the first Kiva loan campaign launched for local photographer, Tomaine Ellis. Tomaine's \$5,000 campaign was successfully funded in less than a week, and he is now making regular payments to his loan. In June 2018, a second Kiva campaign launched and was funded for Tainai Holder, who is opening a health and wellness center in Long Beach. Currently, there are seven potential borrowers working through the Kiva loan process.

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Kiva was one of three City loan programs that were studied to help identify marketing strategies by California State University, Long Beach (CSULB) College of Business Administration students. Ten student groups researched various marketing tactics to support the program. Recommendations from these group presentations will be submitted to Economic Development Development in July 2018.

While the Long Beach Trustee network is growing, there are still many entrepreneurs and businesses that are not affiliated with a local Trustee, which limits their ability to access a higher-level of technical assistance and dollar for dollar matching funds. To increase access to technical assistance and matching funds, Economic Development is recommending that the City become a Trustee. There are no costs to the City and no City funds will be involved in funding loans. As a point of the reference, by becoming a Trustee in 2014, the City of Oakland has been able to fully fund 81 Kiva loans totaling \$501,950. The Department expects to present this opportunity to the City Council in August 2018.

Please contact me at (562) 570-5282 or [John.Keisler@longbeach.gov](mailto:John.Keisler@longbeach.gov) with any questions.

JK:er

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