





Date: August 8, 2018

To: Patrick H. West, City Manager 

From: John Keisler, Economic Development Director 

For: Mayor and Members of the City Council

Subject: **City of Long Beach Loan Programs for Local Businesses**

In March 2001, the City Council authorized an application to the Economic Development Administration (EDA) for \$1 million in grant funds to establish a Revolving Loan Fund (RLF) to benefit small and minority-owned businesses in Long Beach. The City has since used RLF to assist start-up and existing businesses to access low interest loans that may not be available to them through traditional commercial banks.

In recent years, the City has expanded its partnership with various business and community partners namely the Small Business Development Center (SBDC), National Development Council (NDC), and local banks to develop effective tools for economic development planning, coordination, cooperation, and easy access to conventional loans. Additionally, the City has expanded its partnership, with Long Beach City College to provide access to capital for eligible candidates participating in the Goldman Sachs 10,000 Small Business initiative.

Over the past 20 years, the City has provided access to capital for more than 100 businesses for a total of \$15 million in low-interest loans resulting in retention and creation of 400 plus jobs (Attachment A). Most recently, the City Council sponsored the creation of the Kiva microloan program to offer zero-percent interest, no-fee loans up to \$10,000. The following is a summary of loan programs offered in Long Beach:

Kiva Loan Program

- Partnership between the City of Long Beach and the Los Angeles Local Initiatives Support Corporation (LA LISC)
- 0 percent interest with up to 36-month repayment period
- Borrow between \$500 and \$10,000 through a crowd-funded loan program
- LA LISC will match loan contributions made to Long Beach-based businesses who have been endorsed by a Trustee

Microenterprise Loan Program

- Starts at \$25,000 for startup and existing businesses with five or fewer employees
- Fixed rate: prime rate plus 1.5 percent
- Funds can be used to finance equipment, fixtures and furniture, and working capital
- Borrower must create one full-time job for every \$35,000 borrowed

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Grow Long Beach Fund

- Partnership between the City of Long Beach and NDC Grow America Fund
- Between \$100,000 to \$2 million available for businesses that have been operating in Long Beach for at least two years
- Fixed rate: based on current prime rate
- Term: 3 to 25 years
- Loans underwritten by NDC and guaranteed by the Small Business Administration
- Business must be a for-profit entity
- Funds can be used for any legitimate business expense (construction, tenant improvements, equipment, working capital, etc.)

Next Steps

Consistent with goals outlined in the City's Blueprint for Economic Development, the City continues to seek creative ways to expand access to capital for under-represented entrepreneurs. Staff is currently working with EDA to secure a \$2 million grant to augment the City's current microenterprise loan pool. The additional funds must be matched by local dollars, but will allow the City to increase its lending capacity in the years ahead.

Thank you for your support in this effort. Please contact me at (562) 570-5282 or via email at john.keisler@longbeach.gov, with any questions.

ATTACHMENT A: LOAN PROGRAMS

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA DOUD, CITY AUDITOR
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KEVIN JACKSON, DEPUTY CITY MANAGER
REBECCA GARNER, ASSISTANT TO THE CITY MANAGER
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #17-0226, #18-0656)

EDA LOANS	Year Funded
Namak, Inc. (La Traviata)	2001
L'Opera	2004
Alegria Café	2004
Heidi Swensen	2004
Tenth House Enterprise (Allegra Printing & Imaging)	2004
Pacific Pallet	2004
John Morris	2004
L'Opera	2004
California Sandblasting	2005
Simply Skin, Inc.	2005
Senior Solutions Team	2006
North East Dealers Assoc.	2006
Johnny Rebs', Inc.	2007
Sports Legends, Inc.	2007
Worthington Ford, Inc. Loan #1	2008
New Leaf Staffing	2008
Molaoi, Inc. (Café Bixby & Pizza)	2009
Ayres Grill, INC. (Gaucho Grill)	2010
Worthington Ford, Inc.	2010
Liberty Tax (Daniele Williams)	2010
Jammin' Music, Inc.	2011
Hogs & Hops, LLC (Beachwood BBQ)	2011
Bliss 525	2011
Elite Allstars, Inc.	2011
West Coast Strength Enterprises, LLC	2011
Jacobson Plastics, Inc.	2011
Lord Windsor Roasters	2012
The Spoon Bistro	2013
Doggie Paws, LLC	2013
Restauration LB, LLC	2014
Brad N Steph, Inc. (Rockstars of Tomorrow LB)	2014
Beachwood Brewing LLC (Beachwood BBQ)	2014
Utopia Good Food and Arts	2014
ETA Advertising, Inc.	2014
Beachy Cream, LLC	2014

Simply Skin, Inc., dba Ambiance Day Spa	2015
E&L Associates, Inc. dba Olives Gourmet Grocers	2015
Incredibly Inspirational, Inc.	2015
Trusted Life Care, LLC	2015
Elizabeth Olive Bolla dba Olive Yoga	2016
Sararee Corporation dba Blue Haven Thai Cuisine (Panvimarn)	2016
Wide Eyes Open Palms	2016
Lasher Kitchen	2017
Sullivan International, Inc.	2017
Romeo Chocolates, LLC.	2017
Groundwork Fitness - Giovanna Ferraro	2017
Roots Inc. dba Roots Through Recovery	2017
Steven G. Tsepelis dba Broadway Video	2017
AIM Living Services, Inc.	2018
Oscar's Insurance	2018
AC Battle Consulting Services	2018
Twig & Willow, Inc.	2018
BlankSpaces, LLC.	2018
Dogz LLC	2018
Paint on Your Face	2018
GROW AMERICA FUND – SBA 7(a)	
Tuttle Camera	1998
Amberwick	1998
Shoreline Printing	1998
Farm Fresh	1998
Alchemy Pharmacies	1998
Access Millennium 3	1999
Sullivan International	1999
Adventure Outfitters	1999
Red Barn Pet Products	1999
Piana Trucking	2000
Amazing Grace #1	2001
GM International	2002
Alvin Lowi & Associates	2002
Angkor Jewelry	2003
Chlangden Productions	2003

Alvin Lowi & Associates #2	2004
Amazing Grace #2	2004
Amazing Grace #3	2004
MC2 Custom Alloys	2004
Olives Gourmet Grocers	2008
Cancer and Blood Specialty Clinic	2009
Nelson's Cabinets, Inc.	2010
Fingerprints	2010
ETA Advertising, Inc.	2015
Blue Haven Thai Cuisine	2016
Long Beach Creamery, LLC	2017
KIVA LOANS	
Tromaine Ellis, The LBC Photographer	2018
Tanai Holder, The Salt Lounge	2018
Lawrence Charles, Charles & Company	2018
Ashley Arnold, Ladie Kakes	2018