



Valley Economic Development Center

ALL ABOUT BUSINESS

Fall 2010

GOLDMAN SACHS LAUNCHES 10,000 SMALL BUSINESSES INITIATIVE IN THE GREATER LOS ANGELES AREA

\$20 Million in Small Business loans to be provided through local Community Development Financial Institutions including VEDC

The Goldman Sachs Group, Inc. recently announced the 10,000 Small Businesses initiative, which began in Los Angeles in August. Throughout the greater Los Angeles metropolitan area, the program offers a unique combination of resources including access to capital and business support services to help small businesses grow and create jobs.



10,000 SMALL BUSINESSES

10,000 Small Businesses is a \$500 million initiative that will unlock the growth and job-creation potential of 10,000 small businesses across the United States through greater access to business education, financial capital, and business support services. It is based on the broadly held view of leading experts that a combination of education, capital, and support services best addresses the barriers to growth for small businesses. It is now operating in New York and Los Angeles and will continue to expand to communities across the country.

"Not only will the [10,000 Small Business initiative] set in motion job creation at the most grassroots level, but it will have a real impact on the lives of the 70% of Angelenos that are employed by small businesses by granting them the opportunity to expand their entrepreneurial enterprise through education, loans and networking."

- Mayor Antonio Villaraigosa

"My number one priority is getting the people of Los Angeles back to work, and the Goldman Sachs 10,000 Small Business initiative is the type of program we need in Los Angeles," Mayor Antonio Villaraigosa said. "Not only will this investment set in motion job creation at the most grassroots level, but it will have a real impact on the lives of the 70% of Angelenos that are employed by small businesses by granting them the opportunity to expand their entrepreneurial enterprise through education, loans and networking."

Goldman Sachs will commit \$20 million of lending capital, in addition to philanthropic support to Community Development Financial Institutions (CDFIs) in Los Angeles County. The investment will increase the amount of growth capital available to small businesses in underserved communities and expand the capacity of the CDFIs to deliver enhanced technical assistance to small businesses. The first CDFI that will be receiving financing from Goldman Sachs will be VEDC (Valley Economic Development Center).

"VEDC is extremely proud to partner with Goldman Sachs at this time of severe credit crunch when small businesses still cannot find capital to expand their businesses and create jobs," said Roberto Barragan, VEDC President. "Over the past year, small business owners have become increasingly disillusioned and, in some cases, given up looking. Small businesses can now come to VEDC, thanks to Goldman Sachs support, to secure the financing they need."

10,000 Small Businesses is modeled on the Goldman Sachs 10,000 Women initiative, which creates partnerships between academic institutions and non-profit entities to provide a business and management education to women around the world. 10,000 Women is currently operating in 20 countries, where it is helping women entrepreneurs create jobs and growth in their communities.

"Los Angeles is home to many very talented small business owners," said Lloyd C. Blankfein, Chairman and CEO of Goldman Sachs. "Working with local community development financial institutions and community colleges, we aim to give selected local businesses the resources they need to grow and create jobs."

The program is designed for owners of small businesses with limited financial resources and with few opportunities to otherwise access a business education based on enhancing small business success. Broad characteristics of business owners targeted to participate include, but are not limited to: business revenues between \$150,000 and \$4 million in 2009; business in operation for at least two years; at least four employees; operations in economically underserved areas; and a business model that could scale to create more jobs. Similar selection criteria are used by CDFIs to select small businesses for financing and will vary slightly by loan product and program, but are based on sound underwriting criteria.

For more information about the 10,000 Small Businesses initiative please visit the following websites:

- Los Angeles City College - www.lacc10ksb.com
- Long Beach Community College District - www.lbcc.edu/10000smallbusinesses
- VEDC - www.vedc.org

**10,000 Small
Businesses
Loan Program**

Borrow \$50,000 - \$400,000

Contact: Welmer Jurado (818) 907-9977

**VEDC Business Center /
San Fernando Valley**
Financial Development Corporation
5121 Van Nuys Boulevard, 3rd Floor
Van Nuys, California 91403
T: 818-907-9977 F: 818-907-9720
(SFV-FDC) T: 818-205-1770 F: 818-205-1785

**Capital Access Center /
Downtown LA Retail Project**
315 West 9th Street, Suite 501
Los Angeles, California 90015
T: 213-488-3599 F: 213-430-0652

**Capital Access Center /
Women's Business Center**
330 North Brand Boulevard, Suite 190
Glendale, California 91203
T: 818-552-3321 F: 818-545-8869

San Fernando Learning Center
1240 Truman Street, Suite 150
San Fernando, California 91340
T: 818-837-3990 F: 818-837-3991

Pacoima Development Federal Credit Union
13168 Van Nuys Boulevard
Pacoima, California 91331
T: 818-899-8506 F: 818-899-8516

Pacoima Training Center
13172 Van Nuys Boulevard
Pacoima, California 91331
T: 818-834-0577 F: 818-834-1572

**West San Fernando Valley
Business Assistance Program**
21010 Vanowen Street
Canoga Park, California 91303
T: 818-596-4103 F: 818-907-9720

Roberto Barragán, President
VEDC 818-907-9977

www.vedc.org • info@vedc.org

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*"To create and sustain jobs and businesses in our communities
by providing high-quality economic development services."*

FINANCING

Los Angeles Business Development Corp.

- Revolving Loan Fund: Direct Lending to \$700,000
- Los Angeles Citywide Small Business Loan Program: \$45,000 - \$450,000
- Merrill Lynch: up to \$100,000
- Opportunity Finance Network: up to \$100,000
- USDA Revolving Loan Fund: \$25,000 - \$100,000
- SBA Microloans: up to \$35,000
- US Bank Southern California Microloan: up to \$50,000
- GE Money Women's Business Microloans: up to \$25,000
- Pacoima Microloan / Wells Fargo Fund: up to \$15,000

Capital Access Center

- SBA 7(A) Loans: \$35,000 - \$2,000,000
- SBA Community Express: \$5,000 - \$100,000
- Free Loan Packaging

SFV-FDC (SFV-SBDC, a CDC lender)

- State Loan Guarantees up to \$1,000,000
- SBA 504 Loans: up to \$5,000,000

*VEDC is a Certified Community Development
Financial Institution*

TRAINING / CONSULTING

- The City of Los Angeles Entrepreneurial Training Program (ETP) is a workshop series designed to help emerging entrepreneurs with their business ventures.
- The City of Los Angeles Microenterprise Training Program (MTP) is specially designed workshops to provide existing business owners with real life applications to grow and/or sustain their businesses.
- The PRIME project is designed to assist disadvantaged microentrepreneurs whom lack access to capital and who are in low to very low income levels achieve micro finance opportunities, as well as proper entrepreneurial training.
- An SBA Women's Business Center (WBC) serves to promote the creation & growth of businesses by women & minority entrepreneurs in the greater L.A. area. The WBC assists clients with training, consulting & business financing. The doors are open to ALL regardless of gender, race or affiliation.
- Business Resource Library is Open to the public Monday - Friday 8:30am - 5:00pm
- West San Fernando Valley Business Assistance Program provides existing businesses with growth potential in the Canoga Park, Reseda, & Winnetka areas with training, consulting & financing.
- Experienced consultants available to provide one on one guidance. By appointment only.

ECONOMIC DEVELOPMENT

- Pacoima Development Federal Credit Union is a financial institution established by VEDC to meet the needs of low income residents in Pacoima and surrounding areas. PDFCU Offers:
 - Unsecured Loans
 - New & Used Auto Loans
 - SBA 7(A) Loans
- Pacoima Training Center provides job readiness workshops, job placement assistance, and financial literacy training.
- Volunteer Income Tax Assistance (VITA): In 9 years, VEDC has helped residents receive over \$4 million in income tax refunds.
- San Fernando Learning Center in partnership with Union Bank provides essential computer training to local residents.

RETAIL

- The City of Los Angeles Downtown Retail Project: provides FREE retail consulting services to any businesses wishing to locate or expand in Downtown L.A.
Services Include:
 - Business location / site selection
 - Loan packaging and placement
 - Market assessment
 - Business consulting and training
- Retail Revitalization is a targeted effort to redevelop, revitalize and/or build property in blighted areas to improve the communities we serve.
- Development Services assists clients with real estate development, tenant attraction and construction financing.

Websites:

www.vedc.org • www.wbc-LA.org • www.sfvfdc.org • www.downtownLARetail.com
www.pacoimadfcu.org • www.microloan.org • www.wheresthemoneyinLA.com

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SBA 504 PROGRAM CONTINUES STRONG



The SBA 504 Loan Program, administered through the San Fernando Valley Small Business Development Corporation (SFV-SBDC), is designed to enable small businesses to buy their own commercial

buildings with a down payment as little as a 10% and allows small business owners to purchase an industrial or commercial building at/or below-market interest rates. The loan may also be used to purchase or remodel an existing building, construct a new facility or to purchase equipment that has a useful life of at least ten years.

The SFV-SBDC, a VEDC affiliate, is in their second year as a Certified Development Company (CDC) offering SBA 504 loans with a successful track record proven by the return of MC Cargo Group, Inc. Last year, MC Cargo Group purchased commercial real estate in Fontana, CA with the help of SFV-SBDC and a SBA 504 loan. This year they returned to purchase a second building with an SBA 504 loan in downtown Los Angeles.

Year to date, the SFV-SBDC has financed 24 businesses with total project cost of \$38 million dollars. The agency has built a strong foundation in the community and through partnerships with lenders they continue to grow their services primarily in the Los Angeles area.

For further information please contact Ajay Patel, Program Manager, at (818) 205-1770.



JPMORGAN CHASE SHOWS SUPPORT OF VEDC NEIGHBORHOOD ACCESS TO CAPITAL INITIATIVE

JPMorgan Chase has awarded VEDC \$175,000 to support the Neighborhood Access to Capital Initiative (NACI) to be implemented in the areas of Vernon/Central, East Los Angeles, Crenshaw/Baldwin Hills and Northwest Pasadena. The initiative will foster economic growth through business creation and job retention in the target communities.



While the unemployment rate remains high and more than 800,000 jobs have been lost during the past 12 months due to the closing or downsizing of businesses; many individuals are seeking additional means of income and demonstrate interest in starting their own business without any guidance or direction to resources. The goal of Neighborhood Access to Capital Initiative is to guide emerging micro entrepreneurs in achieving business growth through access to business consulting, training, and financing.

"VEDC is a vibrant and effective technical assistance provider with capacity to offer training, expos and workshops, as well as direct access to capital for enhancing existing businesses who seek to grow. Chase is proud to partner with VEDC," says Virginia Victorin, Vice President JPMorgan Chase, Community Relations Officer.

By working together, JPMorgan Chase and VEDC will strengthen their ability to address the issue of small business education and access to capital in disadvantaged and underserved communities.

CDFI FUND AWARDS \$750,000 TO VEDC

The U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund has awarded VEDC a \$750,000 grant to support VEDC's small business lending programs and stimulate local economic growth and recovery by expanding access to capital and affordable financial services.

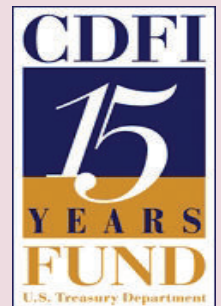
"CDFIs play a critical role financing small businesses and providing access to capital where it is needed most," said Treasurer of the United States Rosie Rios. "The awards we are announcing today will provide critical support to local financial institutions, which are on the front lines creating jobs and economic opportunity in communities across the country."

The CDFI Fund announced that they received 408 applications from organizations across the nation requesting more than \$467 million in funding under the fiscal year 2010 round. This included 322 applications requesting more than \$458.9 million under the Financial Assistance Program and 86 applications requesting over \$8.4 million under the Technical Assistance Program. VEDC's grant represents one of the largest received in Los Angeles through the CDFI Fund.

"During the current economic crisis, when small business owners are facing overwhelming challenges in accessing capital and creating jobs, these CDFI funds combined with the Goldman Sachs 10,000 Small Businesses Loan Program will allow VEDC to play a critical role in providing access to capital and the creation of jobs in our communities." said Roberto Barragan, VEDC President.

Through the CDFI Program, the CDFI Fund invests in and builds the capacity of existing private, for-profit and non-profit community-based lending organizations known as Community Development Financial Institutions (CDFIs) that serve rural and urban low-income people and communities across the nation that lack adequate access to affordable financial products and services. The CDFI Fund receives applications on an annual basis and awards funds through a competitive process. Since its inception, the CDFI Fund has awarded over \$926 million through the CDFI Program.

VEDC will leverage these funds to provide over \$3 million in new small business lending through its Small and Micro Business Loan Funds, SBA 7(A) lending through its sponsored Pacoima Development Federal Credit Union, and commercial real estate SBA 504 lending through its affiliate, the San Fernando Valley Small Business Development Corporation. New locations in Pasadena and Orange County will also be established to better serve metropolitan Los Angeles small businesses.



VEDC RECEIVES CITI FOUNDATION GRANT TO EXPAND MICRO ENTREPRENEURIAL TRAINING PROGRAM FOR GROWING BUSINESSES INITIATIVE



VEDC has received a Citi Foundation Grant providing for an expanded focus on the Micro Entrepreneurial Training Program for Growing Businesses Initiative (METI). The main goal of METI is to provide distressed small businesses with the proper tools and resources needed in today's economy. By aligning with organizations such as the Citi Foundation, VEDC will strive to ensure that businesses have access to financing and services needed thereby creating business growth opportunities and the removal of barriers that would impair their success.

"Citi is proud to support VEDC in its plans to expand its Micro Entrepreneurial Training Program," said Gustavo Bidart, Citi's Community Development Regional Manager for Southern California and Nevada. "Through the METI program, small businesses will get the resources and tools necessary to be more successful in these challenging times."

VEDC plans to service existing micro entrepreneurs by creating specialized business training sessions throughout Los Angeles County, with the objective of creating jobs. The goal is to sustain economically challenged and disadvantaged entrepreneurs, by providing proper training and access to capital. The specialized sessions will blend topics in accordance with trends and the needs of the business community.

On behalf of Citi Foundation, Rashi Kallur, Citi Community Relations, and local Citibank representatives present a check to Roberto Barragan, VEDC President; Pegi Matsuda, VEDC Board Member-at-Large and other VEDC Board Members for the Micro Entrepreneurial Training Program.



CLIENT SPOTLIGHT: UNIVERSAL ART GALLERY, INC.

Lucas Da Silva and Marcia De Paula, owners of Universal Art Gallery, Inc. located in Venice, California have been in the custom art framing business for 16 years and were facing an all too familiar problem: the need to purchase equipment and expand vs. fear of an uncertain economy.

The custom picture framing industry is cyclical and although they have many clients ranging from corporate to retail and wholesale, the turnaround time combined with the accounts receivable terms were leaving the Universal Art Gallery owners looking for funds to bridge the gap and to purchase more equipment to speed up production.

"We approached several banks and everyone said they are not doing loans right now. The banks received financial assistance from the government but we didn't, and we needed help," said Da Silva. "It seemed like no one was willing to help."

That's when the owners decided to contact VEDC for a small business loan. With the help of VEDC and a Citywide Small Business Loan, Universal Art Gallery, Inc. was able to purchase new equipment allowing them to shorten their project turnaround therefore giving them the flexibility to take on more projects.

"VEDC stepped up during a critical time," noted Da Silva. "We were afraid to deplete all our funds during this uncertain economy, but with the Citywide Small Business Loan we have been able to purchase new machines and expand our business. We have also been able to take on new employees. We're even looking at the possibility of buying another delivery van."

For more information about the Citywide Small Business Loan Program, please contact Welmer Jurado, Program Manager, at (818) 907-9977 or via email at wjurado@vedc.org.



Universal Art Gallery Co-Owners Marica De Paula and Lucas Da Silva

WELLS FARGO SHOWS SUPPORT FOR VEDC STATEWIDE BUSINESS GROWTH PROGRAM

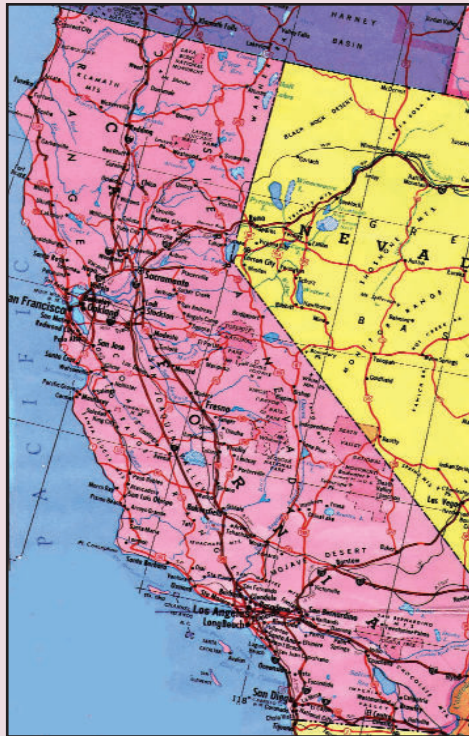
WELLS FARGO

VEDC has received \$175,000 from the Wells Fargo Foundation to continue the Statewide Small Business Growth Program across the state of California to meet the capital needs of businesses and to assist in their growth during this economic downturn. The program, implemented by VEDC, is a capacity building initiative primarily focused on business development and access to capital. VEDC will provide entrepreneurial consulting, training workshops and access to capital business expos in three major California markets over a one year period, serving over 1,000 businesses.

For the past ten years, Wells Fargo has played a critical role in supporting VEDC's mission and has invested in establishing many projects that have helped VEDC assist businesses throughout Los Angeles County, and now throughout the State of California.

VEDC President, Roberto Barragan said, "VEDC is exceedingly proud to partner with Wells Fargo in this time of severe credit crunch and high statewide unemployment. The Statewide Small Business Growth Program will prove vital in promoting access to capital to small businesses which are expected to be the source of new jobs in the immediate future. VEDC looks forward to working with community organizations in San Francisco to host our signature event *Where's the Money? Access to Capital Business Expo* in November 2010 and in San Diego in Spring 2011. Over the next 12 months, VEDC will secure \$4 million in financing for small businesses statewide."

"Wells Fargo is excited by the opportunity to provide much-needed capital to small businesses to help in our nation's economic recovery," said Lisa Stevens, Wells Fargo California Regional President. "We understand that by supporting organizations like VEDC, our combined resources can provide vital access to capital and financial education for historically underserved communities."



BUSINESS TRAINING

Accounting & Bookkeeping - 10/12

All About Business Loans - 10/6, 10/14, 10/20, 10/26, 10/28

Business Plan Essentials - 10/6

Business Survival in a Bad Economy - 10/16

Federal & State Basics of Payroll Taxes - 10/26

Intellectual Property & Business Law - 10/16

Legal Issues for Small Businesses - 10/13

Marketing 101 for Business Owners - 10/14

Online Skills for Small Business Series - starts 10/5 - ends 10/26

QuickBooks Tutorial - 10/13

Sales & Negotiating - 10/13

Start-up Do's & Don'ts - 10/19

Registration Information

For information on any of the classes listed above or to find out more about our business training, please contact **Lucero Montañez** at **(818) 907-9922**.

Pre-registration is **required**. Certain restrictions apply to some programs.

Complete training schedule is available online at **www.vedc.org**.

VEDC WELCOMES TWO NEW BOARD MEMBERS

VEDC is proud to announce the appointment of two new members to the Board of Directors - Dannielle Campos and Anne Williams.

Dannielle Campos serves as Senior Vice President and National Program Manager of the Bank of America Charitable Foundation providing funding direction and leadership for their national giving program. Through this philanthropic platform she is responsible for implementing programs and initiatives that create impact in local neighborhoods. Ms. Campos also oversees regional grant making and ensures that national foundation goals and priorities are represented.

Anne Williams is Executive Vice President, Chief Operating Officer and Chief Credit Officer of California United Bank. She has been with the bank since inception and played a key role in its establishment and formation. California United Bank began in May, 2005 with the largest initial capital of any state chartered bank in history at the time. Ms. Williams contributes many hours to local non-profit organizations, particularly providing her banking and credit expertise to non-profit community lenders.

"One of our goals is to diversify the VEDC Board of Directors by electing members who represent varied areas of our community," says Don St. Clair, VEDC Board Chairman. "Ms. Campos brings her expertise in the corporate sector and outstanding fundraising abilities while Ms. Williams adds an additional dimension of banking and business operations experience to our Board of Directors."



VEDC's two newest Board Members, Dannielle Campos, Bank of America Foundation (left) and Anne Williams, California United Bank

REMEMBERING BRUCE ACKERMAN



*Bruce Ackerman
1945 - 2010*

It is with great sorrow that VEDC acknowledges the passing of VEDC Co-Founder and former Board Member, Bruce Ackerman. Bruce touched so many lives and had a profound impact on those he worked with to further economic development in the San Fernando Valley, Los Angeles County and the state. He was passionate about causes and sat on numerous not-for-profit boards of organizations focused on improving the quality of life for all Angelinos. As President and CEO of the Economic Alliance of the San Fernando Valley for the past decade, Bruce had more than 30 years of experience in leading chambers of commerce and economic development organizations.

"Bruce was not only a great advocate for San Fernando Valley businesses but also for the people of the San Fernando Valley. He was a unique individual who always had a smile and offered a hand up," remarked Don St. Clair, Chairman of VEDC Board of Directors. "You don't meet many people as genuine, warm and supportive as Bruce Ackerman."

Bruce worked tirelessly and was willing to give of himself. He left his indelible mark on everything and everyone he touched. He will be missed by many, not the least of which are his friends at VEDC.

VEDC THANKS YOU FOR YOUR SUPPORT



10,000 SMALL
BUSINESSES



For sponsorship opportunities, please contact Sandra Romero
at (818) 907-9977, ext. 241 or via e-mail sromero@vedc.org

