



CAL COASTAL

A Small Business Lender

Presentation to the County of
Monterey Economic Development
Committee on March 8, 2023



WHO WE ARE - Company Mission:

Cal Coastal was established in 1982 as a 501(c)(3) non-profit organization. Our mission is to provide financing and to educate small farmers and businesses that lack resources and access to capital, training, and technical assistance (TA). Our mission is to assist these enterprises to grow, thrive, and prosper enabling the overall economic development of the underserved communities we serve. We are designated by the U.S. Dept. of Treasury as a Community Development Financial Institution (CDFI).



PRIMARY SERVICE AREA:

Cal Coastal's primary service area includes the counties of; Santa Cruz, Monterey, San Benito, San Luis Obispo, Santa Barbara, Ventura and Fresno. However, many of our loan products allow us to lend state-wide.

Our Small Business Development Corporation (SBDC) serves the counties of San Benito and Monterey.

OFFICE LOCATIONS:

Cal Coastal Main Office

221 Main Street, Suite 301

Salinas, CA 93901

831-424-1099

Small Business Development Center

106 Lincoln Street

Salinas, CA 93901

831-676-2017

Santa Maria Office

2625 S. Miller Street, Suite 106

Santa Maria, CA 93455

805-349-0798

Santa Barbara Office

430 E. Carrillo Street

Santa Barbara, CA 93101

805-456-1040



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LOAN PRODUCTS:

- ▶ **JUMP START LOANS**- Loans for start-up/new small businesses up to \$10,000 located in eligible CDFI investment areas.
- ▶ **SBA MICROLOAN PROGRAM** - Loans and technical assistance to new or expanding small enterprises. The maximum loan amount is \$50,000 with fixed interest rates as low as 7.75%.
- ▶ **USDA INTERMEDIARY RELENDING** - Business loans in eligible rural areas. The maximum loan is \$250,000.
- ▶ **MONTEREY COUNTY SMALL BUSINESS REVOLVING LOAN FUND**
 - Loans to small businesses located in Monterey County. The maximum loan is \$250,000-400,000. Cal Coastal has been a Contractor administering the for the County for 22 years and recently was awarded a new 5-year agreement.



LOAN PRODUCTS: (Continued)

- **SBA COMMUNITY ADVANTAGE 7(a) LOAN** - Available in California. (Maximum Loan \$350,000). The SBA CA Program is a pilot program, and we serve small businesses that cannot obtain bank financing.
- **FARM LOANS** - Operating and real estate loans to family farms. The maximum loan is \$2,037,000. We are a Preferred Lender & we obtain a 90-95% loan guarantee from USDA Farm Service Agency.
- **SMALL BUSINESS LOAN GUARANTEE PROGRAM** - The maximum loan guarantee is \$5 Million. We contract with IBank to provide up to 80% loan guarantees to financial institutions and some CDFIs for term loans or lines of credit. IBank just received an additional \$390 Million from SSBCI funds.
- **SBA 504 PROGRAM** - Cal Coastal is a Certified Development Company (CDC) that issues SBA 504 debentures up to \$5.5 Million that provide fixed interest rates for up to 40% of the fixed asset financing (real estate or equipment).

RESPONSES TO COVID-19 PANDEMIC:

- **“OLD” SBRLF - EMERGENCY COVID-19 MICROLOANS** - County of Monterey EDA Small Business Revolving Loan Fund (SBRLF) made 20 emergency microloans at 2.44% (75% of Prime Rate) with up to 9 months of initial payment deferment periods. Since inception, the “old” SBRLF has funded 169 loans totaling about \$11.0M, created 580 jobs and retained 625 jobs.
- **“NEW” SBRLF- EDA CARES ACT GRANT** - The County had 2 years to utilize the grant funds for lending and administrative expenses. Cal Coastal approved 8 loans for \$1,510,000. Only \$1,210,000 was funded since one \$300K loan withdrawn by an applicant. \$160,000 of the grant was to support administrative expenses by the County & Cal Coastal. The “new” SBRLF has created 17 jobs and retained 30 jobs.
- **SBDC**- Our SBDC serves the Counties of San Benito and Monterey. During this pandemic, our SBDC has assisted over 2,500 small businesses with PPP and EIDL applications and provided over 50 training webinars and workshops. We collaborated with the County, the Monterey Business Council, CFMC, Chambers of Commerce, and the City of Salinas on outreach activities done in both Spanish and English.

RECENT SUCCESSES:

- \$600,000 WELLS FARGO BANK “OPEN FOR BUSINESS” GRANT
- \$20,000 COVID-19 GRANT - COMMUNITY FOUNDATION FOR MONTEREY COUNTY
- \$400,000 RLF & TA GRANT - COMMUNITY FOUNDATION FOR MONTEREY COUNTY/JAMES IRVINE FOUNDATION
- \$2.7 MILLION EDA GRANT UNDER THE CARES ACT (SLO & FRESNO)
- DEVELOPED KEY COMMUNITY COLLABORATIONS & PARTNERSHIPS
- DEVELOPED & DELIVERED NEW TECHNICAL ASSISTANCE PROGRAMS TO SMALL BUSINESSES AND FARMERS IN NEED
- \$1.8 MILLION RAPID RESPONSE PROGRAM GRANT FROM CDFI

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