



OneCalifornia ▶ In the News

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by Cecily Burt

▶ Organizations ready to help small businesses

The last thing a struggling business needs is more debt it can't repay. But there are a number of organizations and lenders ready to offer financial help to small business owners who have a solid business plan and just need a bridge loan to tide them over or help them expand during tough economic times.

Russ Haycock, the chief credit officer of OneCalifornia Bank, a nonprofit community development bank that opened in Oakland just more than a year ago, said they are seeing a variety of people seeking loans, from entrepreneurs wanting startup funds to existing businesses that are struggling. The bank also lends to people who can't get loans from traditional banks.

"We look at every deal one at a time," Haycock said. "We're not predisposed to declining everybody. Whether they're new or been in business for 50 years, we look at their business model and see what we can do for them.

"It doesn't mean we can help everybody, but we will go the extra mile to help," he said.

Aliza Gallo, manager of the city's business services group, said there are numerous organizations that help small businesses with everything from loans to technical resources and entrepreneurial advice and support, but they shouldn't wait.

"On the lending side, it's how far in or how far over a company has gotten," Gallo said.

"Everybody tends to wait too long to come in and find they are not going to be eligible for working capital."

That's where organizations such as OneCalifornia and Opportunity Fund come in, Gallo said.

The Opportunity Fund offers loans as small as \$1,000 up to \$200,000 to low-income customers in Alameda, Santa Clara, San Francisco and San Mateo counties. The borrower's adjusted gross income cannot exceed 80 percent of the area median income, or \$46,350 for a one-person household.

Happy Dayleg, sales and marketing manager for Opportunity Fund, said they are seeing more requests from established businesses that are suffering. She said they work with all their prospective clients to make sure they really need the loan, and that it will benefit the business. They also want to make sure they can afford it, and customers are often referred to business development agencies that can help them improve their business.

Because Opportunity Fund is an alternative lender, they can help borrowers who might be turned away from traditional banks, such as those with bad credit, as long as he or she is trying to get back on track.

"We want to make sure they know their business and that they know how the loan will help their company and be aware of their personal finances," Dayleg said. "If they know their business and know the ins and outs of the business plan, we will support them."

For businesses that are looking for ways to lure more customers to their stores, Oakland's Community and Economic Development Committee has a facade improvement program that offers up to \$75,000 in matching grants, as well as \$5,000 in free design assistance to spruce up their storefronts, said Brian Kendall, who is in charge of the downtown area program.

"By creating more attractive retail areas, businesses see increases in sales, property owners see increases in property values and government sees an increase in tax revenues," said Kendall.

Staff writer Sean Maher contributed to this story.

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