

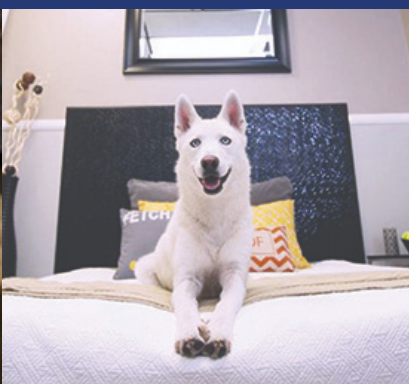
# Nor-Cal FDC



Northern California Small Business  
Financial Development Corporation



## 2018 ANNUAL REPORT







## Our Mission

Nor-Cal FDC's mission is to drive the local economy by supporting small business owners and entrepreneurs through access to capital. Their lending, banking, and technology partners provide greater access to a variety of sources of capital to small business owners in Northern California, Silicon Valley and the San Francisco Bay area.

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## Sanford's Message

In 2018 Nor-Cal FDC celebrated its 40th year of service to small business. Through the years, Nor-Cal FDC has encouraged lending institutions to make small business loans to companies that may not be eligible for a traditional loan. Through valued partnerships with lending and banking organizations, we provide greater access to a variety of sources of capital to small business owners.

I would like to commend our valued lending partners and dedicated staff on a very successful year. I am thankful to each of you for your continued participation and support of Nor-Cal FDC and our mission.

I am pleased to report that Nor-Cal FDC had an incredible year. The loan production team has flourished; tripling the volume of loans closed in FY 2017. We have helped even more entrepreneurs create an expand their businesses and improve job growth.

We were also seeing more activity within the Jump Start Loan Program and the Disaster Relief Loan Guarantee Program, as we connect with business owners who are in need of these valuable services. In addition, Nor-Cal FDC introduced the state loan guarantee program, and ourselves, to new lenders; proposing potential opportunities for 2018.

We currently have a portfolio of 17 banks that have lending authority in California. Nor-Cal FDC continues to recruit new banks and develop new partnerships. Our goal is to expand these lending institutions to 30 by the year 2020; which means even greater chances for entrepreneurs to receive the finances they need.

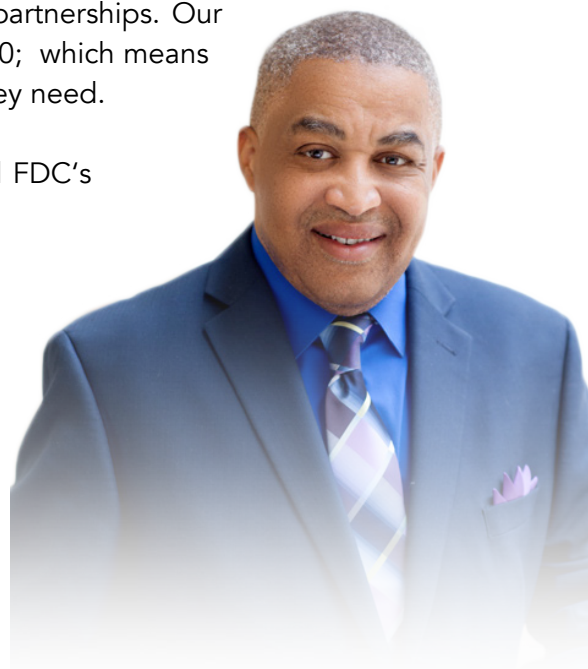
Once again, I humbly thank you for your contribution to Nor-Cal FDC's success. I am energized for the new year and being of service to this organization.

*Keep exploring. Keep dreaming. Keep asking why. Don't settle for what you already know. Never stop believing in the power of your ideas, your imagination, and your hard work to change the world.*

— Barack Obama



Sanford Livingston,  
Chief Executive Officer



## Celebrating 40 Years of Service Nor-Cal FDC 40th Anniversary Special Event

On September 27th, 2018 Nor-Cal FDC welcomed our lenders, board of directors, fellow FDCs, representatives from the California Infrastructure Bank (IBank), and prominent individuals, to celebrate our 40th anniversary.

The event was held at the stunning Rock Wall Winery in Alameda, where guests were treated to a specialty 3 course wine dinner, paired with cuisine from Alamar Kitchen & Bar.

Joining the celebration were executives from City National Bank, Bank of Guam, California Bank and Trust, Community Bank of the Bay, Pacific Community Ventures, Poppy Bank, Bank of San Francisco, United Business Bank, New Resource Bank, Boston Private Bank, California Bank of Commerce and Beneficial State Bank.

The evening also included awards recognizing our lending partners and distinguished board members. Special recognition was given to New Resource Bank for loans to innovative small businesses, Accion San Diego for the highest volume of loan guarantees, and Pacific Community Ventures, for the highest dollar amount in loan guarantees.

To commemorate this milestone, Nor-Cal FDC received an official resolution signed by Teveia Barnes former Executive Director of IBank, presented by Judy Stevens representing the Small Business Finance Center, IBank.

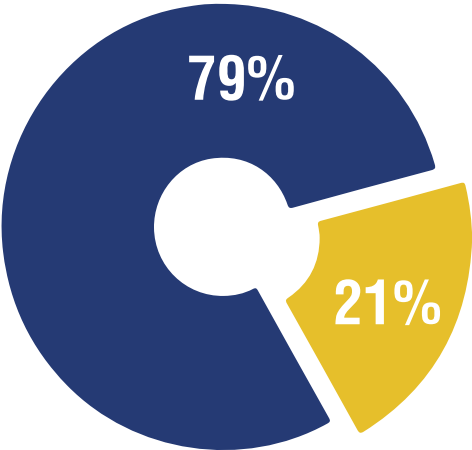
The festivities completed with contemporary jazz entertainment, provided by The Eric Swinderman Quartet. There was also a silent auction by Sports Gallery featuring northern California sports and entertainment celebrities including; a signed Steph Curry jersey and a Lucas Film-Star Wars autographed poster.

Cheers to another 40 years and supporting small businesses!





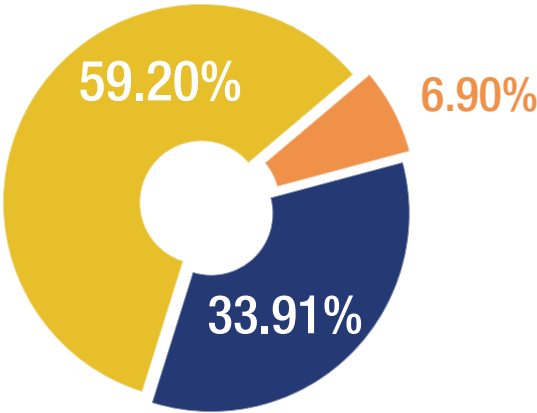
# JOB MARKET IMPACT



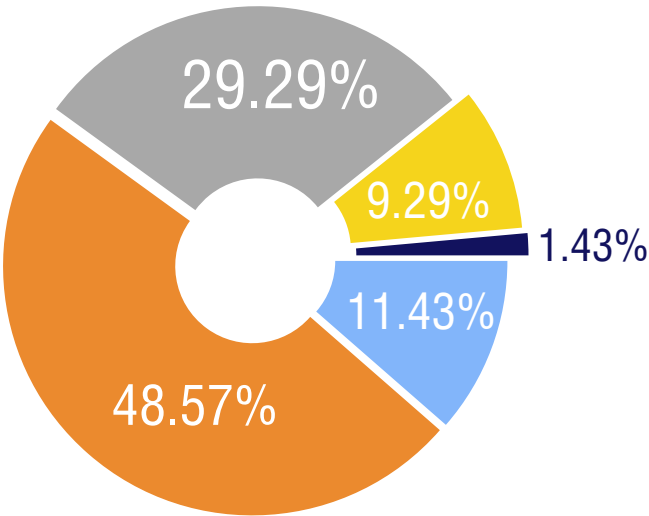
Jobs Saved	1,621	79%
Jobs Created	427	21%
Total jobs impact	2048	

# GENDER DIVERSITY

Female	59	33.91%
Male	103	59.20%
Not Responded	12	6.90%
	174	100.00%

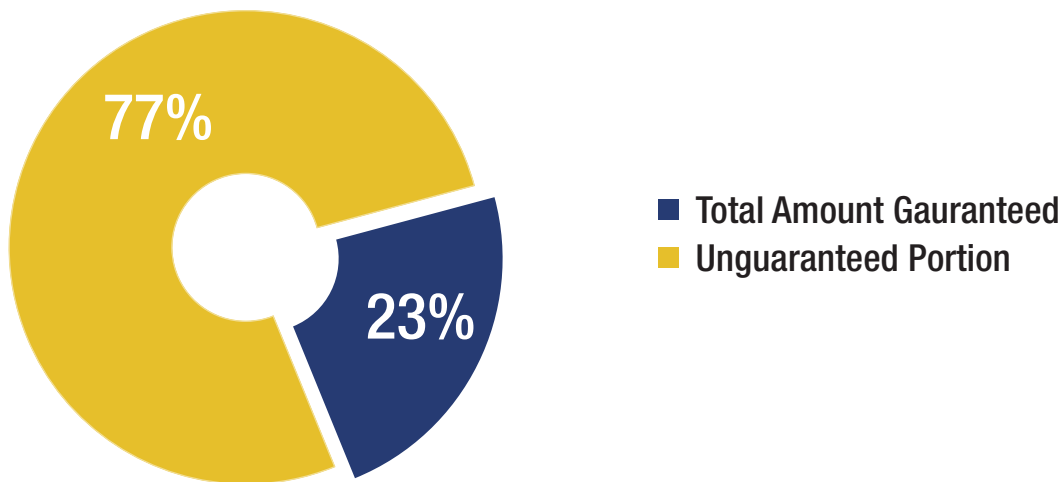


# ETHNIC DIVERSITY

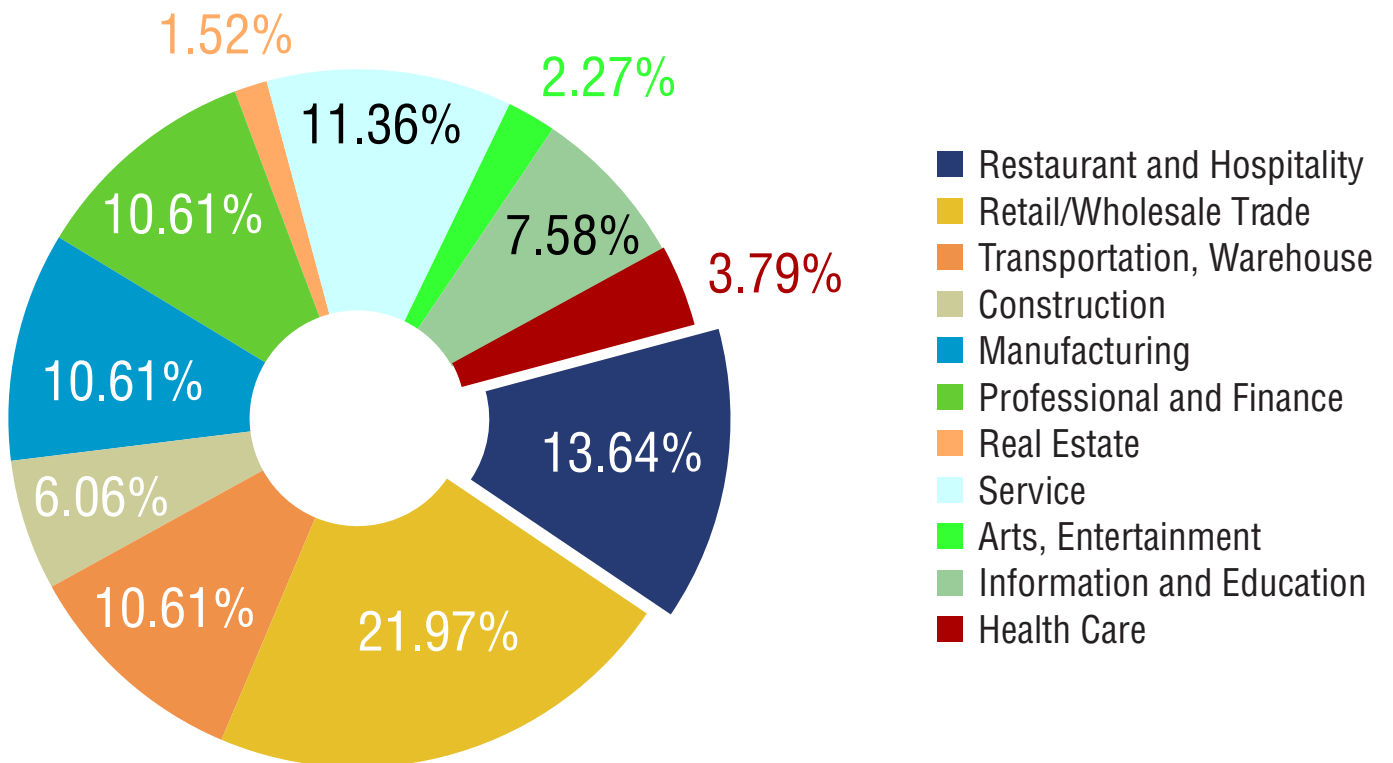


African American	11.43%
Caucasian	48.57%
Hispanic	29.29%
Asian	9.29%
Middle Eastern	1.43%


## LOANS



## INDUSTRY DISTRIBUTION







*"Starting and growing a business is as much about the innovation, drive and determination of the people who do it as it is about the product they sell."*  
– Elon Musk

**NOR - CAL FDC SUCCESS STORIES**



## Chiaramonte Construction and Plumbing Inc.

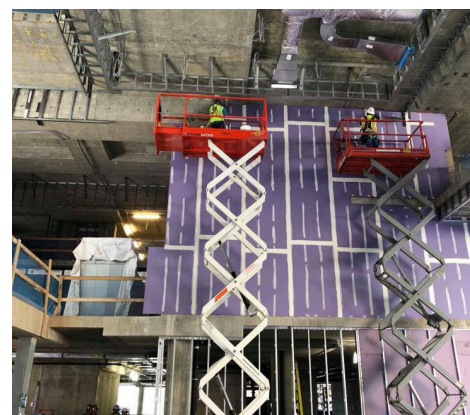
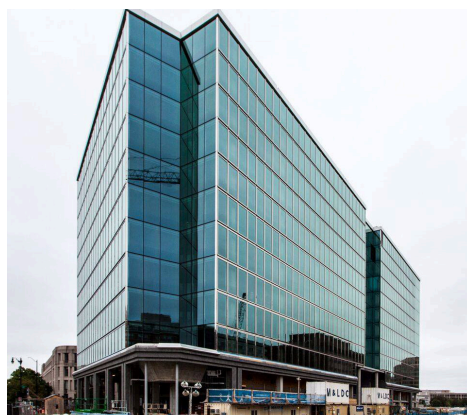
Chiaramonte Construction and Plumbing Inc. is a family owned business headquartered in Tulare, California. Sal and Pam Chiaramonte, who began the company 38 years ago, are involved in all aspects of construction, with expansive experience in custom homes, multi-family properties, construction of full subdivisions, commercial buildings; as well as remodels, rehabs and improvement projects.

In October of 2017, soon after the wildfires of Sonoma county, Chiaramonte surveyed the area of extreme devastation. They identified the need for experienced builders that could not only meet the demands of the community but also take a vested interest in its revitalization. By November 2017, the company made a solid commitment to rebuild the county, transferring company resources, staff, and equipment to the area. Chiaramonte spent \$250,000 of their own working capital reserves to set up a permanent Sonoma County operation and financed another \$250,000 in equipment.

By the Spring of 2018 Chiaramonte had construction contracts for 100 homes, 25 with approved plans and 15 under full construction, with the first completed homes expected by the end of September. To meet the need for a permanent office in Sonoma County, hire more full-time employees, and meet their goal of rebuilding 250 homes in the next five years, the company needed financing for working capital. However, reported losses and minimal cash flow, made it difficult to acquire traditional financing.

After speaking to several other organizations for help, Chiaramonte was referred to Nor-Cal FDC; who had already been in discussions with Sonoma County Economic Development Board, and California IBank, to develop ways in which the State Loan Guarantee Program could assist the community. CEO Sanford Livingston, and Business Development Representative Blaine Laney, met with the owners, conducted site visits, and accessed their eligibility for the program. Nor-Cal FDC needed to identify a lending partner to work with, and utilize the state loan guarantee to access the capital they needed.

Nor-Cal FDC partnered with Poppy Bank, who had experience with construction financing. Poppy Bank was able to grant a \$450,000 line of credit, so that Chiaramonte would have funds to keep their suppliers current in-between construction draws. The line of credit also allowed the company to pay off a high interest (12%) loan with financing at just over 6%, in a combined loan for five years with interest only payments; providing them additional working capital.





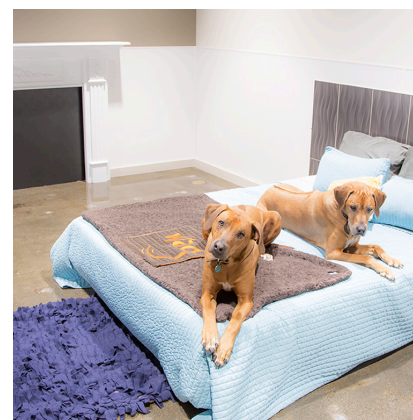
## Wag Hotels Inc.

Are you looking for a 5 star luxury experience for your pet? Wag Hotels, Inc. operates a resort-style pet boarding facility dedicated to the care and well-being of dogs and cats. The accommodations re-imagine the idea of a kennel and provide a much needed upgrade.

Wag Hotels was founded in 2005 by pet lovers who couldn't find a suitable place to leave their pets during business trips. What began as a personal mission has developed into the ultimate boarding and daycare resort for dogs and cats — a one stop shop for boarding, grooming, training, and all your pet spoiling needs. Their mission is to "provide the highest level of service and delight to pets and their parents". Since opening the first hotel in Sacramento, they've expanded to San Francisco, Redwood City, Oakland, and most recently Santa Clara.

The hotel includes private rooms, deluxe suites, and even ultra suites with options like, internet web tv, 24-hour room service, nightly 2 way video chat, premium beds, and all day play passes. The company was requesting a multiple advance loan to convert four Southern California Pooch Hotel locations, Hollywood, West LA, San Diego, and Carson, to Wag Hotels. Due to it's unique business and double-digit growth projections, it was difficult for them to acquire traditional financing.

Nor-Cal FDC partnered with Bridge Bank to apply the state loan guarantee, allowing Wags Hotel to acquire the loan. The capital enables the company to purchase and redesign the new locations, as well as, consolidate their debt by refinancing a previous loan. This expansion of the business also retained 104 jobs and created 71 new jobs.





## David Soiland Company

Dave Soiland, dba Dave Soiland Company, has been in Sonoma County since he was born in 1954. He has worked in the construction and engineering sector, in the area, since he was a teenager. He also worked with his father, Marv Soiland, whose name appears in the region's Construction Hall of Fame alongside many other well-known contractors.

NorCal Crushers, a division of Dave Soiland Company, is a horizontal impact recycle /crushing plant, primarily servicing family owned quarries in Sonoma County. In 2008, the company began crushing operations with a new KPI 4250, giving them the ability to expand operations to include the Bay Area, Sacramento Valley, and North Coast areas.

In 2010, a McCloskey 144 Impact Crusher was acquired to further expand their crushing services. Eventually, this helped position the company to respond to the Sonoma County firestorm disaster of October 2017. However, Soiland needed a third rock crushing machine, and a mobile unit, to meet the demand and crush 200,000 tons of charred concrete from the Sonoma County fires.

Nor-Cal FDC partnered with Poppy Bank to finance a 10 year term loan for \$790,141.00, with an 78% guarantee for 7 years, to purchase a McCloskey 154R concrete rock crushing machine. This specialty piece of equipment had to be shipped by boat from Northern Ireland to Port Hueneme near Oxnard, CA then transported by land 400 miles to Novato, CA.

While the machine was in route, the deadly Paradise California wildfires erupted and destroyed an entire town with over 16,000 structures and created 800,000 tons of debris. Soiland Company, now uniquely qualified to assist, was contracted by the largest excavator in California to come to Paradise with its mobile rock crusher and recycling plant.

This new 71.5 ton machine is now in Chico, CA., ready to assist in the removal of 800,000 tons of debris. Nor-Cal FDC, and the state guarantee program, assisted Dave Soiland Company; making it possible for them clear these devastated areas and prepare for rebuilding.





# Nor-Cal FDC



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## OUR LENDING PARTNERS



# Nor-Cal FDC



Northern California Small Business  
Financial Development Corporation

*In partnership with*



California Infrastructure and  
Economic Development Bank

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