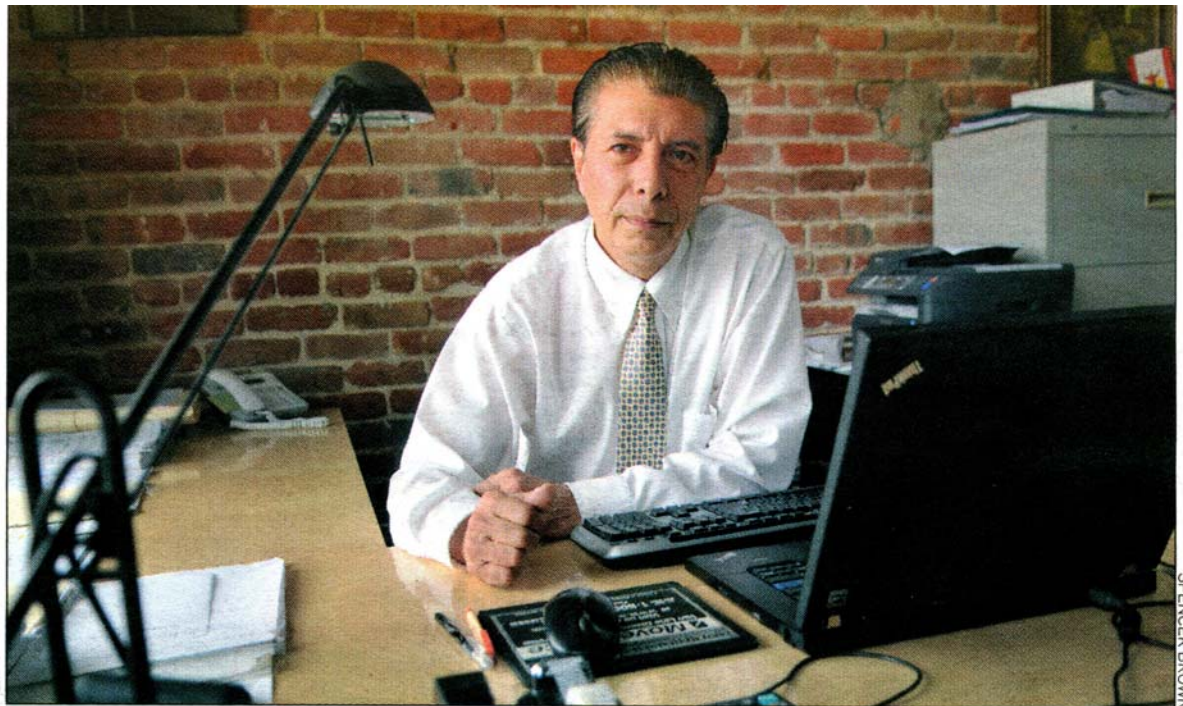


California Lending Partners has 25 deals in the works, says VP Michel Ottolia.



SPENCER BROWN

S.F. nonprofit to begin lending

Urban Solutions gets SBA approval

BY MARK CALVEY
San Francisco Business Times

San Francisco-based Urban Solutions established California Lending Partners to help Bay Area businesses secure Small Business Administration financing for commercial real estate.

The nonprofit that focuses on community development in low-income neighborhoods took four years to get SBA approval of the certified development company that will compete with TMC Development and Capital Access Group, both in San Francisco, among others.

Urban Solutions expects to invest \$250,000 over the next two years in ramping up California Lending Partners, said Jenny McNulty, president and CEO of California Lending Partners and exec-

utive director of Urban Solutions. Urban Solutions sees the lender as a steady source of revenue for the nonprofit's other work. Certified development companies assist small business owners in securing financing under the SBA's 504-loan program and then servicing the loan.

California Lending Partners has about 25 deals in its pipeline totaling approximately \$30 million, said Michel Ottolia, California Lending Partners' vice president and business development officer, who previously was vice president of SBA financing in the Bay Area for Puerto Rico-based Banco Popular's small business capital unit.

The typical SBA-backed 504 loan features a 10 percent down payment from the qualified business owner, 50 percent of the loan extended by a bank and 40 percent provided through a certified

development company relying on SBA financing.

Combined bank and SBA-504-program financing approved in the Bay Area in the fourth quarter of 2009 jumped 30 percent from a year earlier, to \$120.3 million, according to CDC Small Business Finance, an SBA-504 lender in the region. The Bay Area saw 67 SBA-504 loans approved in the fourth quarter of 2009.

While the credit crunch has moved some SBA lenders to the sidelines, other banks see it as an opportunity to grow their business. California Lending Partners says it is working closely with Citibank and Wells Fargo, among others. Plus, some business owners see a buying opportunity for owner-occupied commercial real estate. And more business owners are likely to consider SBA financing with other sources of capital limited.

"There are tremendous opportunities ahead," Ottolia said.



McNulty