



CALIFORNIA STATE TREASURER JOHN CHIANG



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Treasurer Chiang Helps Sacramento Small Business Expand

Affordable Access to Capital is Available to California Small Entrepreneurs

SACRAMENTO – State Treasurer John Chiang helped a K Street restaurant expand by facilitating two loans with a combined value of \$150,000 through a popular program that encourages banks and other financial institutions to lend to small businesses that would otherwise have difficulty obtaining financing.

The loans benefitted Downtown & Vine Restaurant, which brings the wine country to Sacramento, offering a restaurant, wine bar and an event center. The eatery is owned by Kate Chomko.

The private financing was made possible thanks to the California Pollution Control Financing Authority (CPCFA), which is chaired by Treasurer Chiang, with a credit enhancement funded by CPCFA's well-established [California Capital Access Program \(CalCAP\)](#).

"From the Silicon Valley start-up to the family-run restaurant next door, Main Street small businesses are the lifeblood of job creation, the backbone of our economy, and the engine of American innovation. Our job is to ensure that entrepreneurial dreams don't go stillborn due to the lack of affordable capital," Chiang said. "Kate Chomko started her Sacramento-based restaurant three years ago and, with the help of CPCFA's credit support program, is now expanding. There are thousands of entrepreneurs, like Kate, who are California's keys to job growth, neighborhood preservation, and sustained economic prosperity. By making access to investment capital more available and affordable, I want them to know that California is open for business."

According to the U.S. Small Business Administration, nearly 27 million small businesses in the United States generate about 50 percent of our Gross Domestic Product. More than 3.5 million of those businesses are right here in California. Small businesses make up to 99.7 percent of all employers in the U.S. and [99.2 percent in California](#). A recent economic forecast from UCLA projects that California's unemployment rate will fall to [5.0 percent by 2017](#), down from a high of more than 12 percent in 2010.

Downtown and Vine's expansion was made possible as the result of two loans underwritten by First Northern Bank of Dixon, one of 70 lenders participating in the CalCAP programs. One is for a \$50,000 letter of credit that will be used to support working capital needs. The other is a term loan for \$100,000 that will be used for tenant improvements directly related to the expansion of food production for the business.

"I just felt that if we could have a full kitchen it would make all the difference in the world," Chomko said. "I'm a chef and I love food as much as I love wine, and our kitchen was very tiny, it was an old breakroom that we converted into a toasted oven and a little tiny convection oven. The program allowed me to follow my dream and open this great new place. The program gave me the foundation that I needed. This really was an opportunity where I think they saw what I did, what I needed as a woman, as a business owner. Being part of K Street, it's a give and take – you believe in me, I believe in you. So it's a really great program."

CPCFA has offered CalCAP since 1994. The program is an important resource for small businesses whose owners want to access capital in California. Through CalCAP, CPCFA deposits a cash premium into an account for each qualifying loan that a lender enrolls in the program, from which lenders can later apply for a claim in the event of default. Since the beginning of 2015, private lenders have enrolled more than 2,900 loans into the CalCAP programs, supporting the creation or retention of 12,245 jobs in California. The default rate of loans enrolled in the statewide

program – about 2 percent -- has historically remained lower than the national average failure rate for small business loans. For program information, contact CPCFA at (916) 654-5610 and CalCAP@treasurer.ca.gov.

Click here for the story on Vimeo with the Treasurer, Kate Chomko and CPCFA Executive Director, Reneé Webster-Hawkins: <https://vimeo.com/141468770>.

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