



**To:** Mayor Joel Fajardo and Councilmembers

**From:** Kanika Kith, City Manager  
By: Will Pettener, Assistant to the City Manager

**Date:** March 16, 2026

**Subject:** Consideration to Approve Access to Capital Program Guidelines

### **RECOMMENDATION:**

Subsequent to the preparation of the staff report, additional revisions were requested within the proposed guidelines by ICON CDC, the administrator of the program. Requested changes included amendments to the proposed program goals and the removal of the “Technology” section within the scope of services offered.

It is recommended that the City Council approve revised program guidelines for the administration of an Access to Capital program (Attachment “A”).

### **BACKGROUND:**

To ensure that ICON CDC’s feedback is incorporated into the guidelines for City Council consideration, three amendments to the guidelines included in the initial agenda packet are necessary and include the following:

- Changing the benchmark related to “securing specific and structured bank and credit union referral relationships across all financing programs” from \$1,000,000 to \$250,000;
- Adjusting the benchmark for new jobs created in San Fernando down from 12 to 5 jobs;
- Eliminating the technology section as a core service, as this is outside of ICON CDC’s typical scope of work.

### **BUDGET IMPACT:**

There is no budget impact related to the approval of the Access to Capital Program guidelines. Additional costs may apply based on future City Council direction.

**CONCLUSION:**

Therefore, staff recommends that the City Council approve revised program guidelines for the administration of an Access to Capital program (Attachment "A").

**ATTACHMENT:**

- A. Revised Access to Capital Program Guidelines

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**Access to Capital Program Guidelines**

**Purpose:**

The City is committed to lending a helping hand by assisting businesses. To that end, the City is offering a new Access to Capital (ATC) Program to provide supportive services to businesses in the City. The purpose of these grants is to provide working capital to businesses that provide goods and services to the residents of San Fernando. The City funding will be used to:

1. Secure specific and structured bank and credit union referral relationships across all financing programs such that \$250,000 in capital is invested in City of San Fernando businesses.
2. Develop and implement a comprehensive marketing strategy for the ATC program that promotes business services to 50 City businesses.
3. Establish information and reporting systems and build management and staff capacity to facilitate the creation of 5 new jobs in the City of San Fernando.

**Use of CDBG Funds:**

Initiating Change in Our Neighborhoods Community Development Corporation (ICON CDC) will be the administrator of the ATC program funded by the City.

Established, new and aspiring business owners will work with counselors/specialists and attend workshops/webinars either to strengthen or refresh specific business skills. All ATC programming will be provided in English and Spanish, with translators available for clients with other language needs.

<b>CORE SERVICES</b>	
General Business Services	<ul style="list-style-type: none"> <li>● Business Needs Assessment: These will identify services and interventions appropriate for each client and be recorded in an individualized Action Plan by counselors/specialists based on the needs of the client and his/her business.</li> <li>● SWOT Analysis: The Business Planning counselor/specialist will support clients with this strategic planning method identifying a business concept's strengths, weaknesses, opportunities, and threats.</li> <li>● Business Planning: The Business Planning counselor/specialist will provide workshops and one-on-one support in preparing plans/executive summaries that analyze an enterprise's economic, technical, and financial feasibility.</li> </ul>

	<ul style="list-style-type: none"> <li>● Business Courses: These will include a range of workshops/webinars delivered by counselors, specialists and consultants to assist clients in developing specific skills. Topics will include: Business Insurance, Business Plans, Cybersecurity, E-Commerce, Financial Planning, Marketing and Social Media.</li> <li>● Business Compliance Requirements: Counselors/specialists will provide technical assistance geared to understanding compliance and business regulatory requirements.</li> <li>● Marketing/Social Media: The Marketing Manager, counselors and specialists will provide workshops and one-on-one consulting to help clients build business brands, use social media platforms to promote the business, conduct market assessments, generate marketing plans, and work with the Technology counselor to assist clients with selling products through online marketplaces.</li> <li>● License and Permits: The Business Compliance counselor/ specialist will provide workshops and individual support to ensure that proper local, state, and federal permits, licenses, and certifications are obtained to operate a business legally.</li> <li>● Entrepreneur Services: The Entrepreneur Manager will spearhead the ETP and offer one-on-one support to help clients overcome barriers and fulfill their company’s potential.</li> <li>● One-on-One Consulting: Counselor/specialists will ensure businesses have the individualized support to navigate changes in business trends and regulations, helping clients adapt to ongoing changes in the economy. The ATC will also offer group events allowing clients with similar needs to network and share information.</li> </ul>
Financial Services	<ul style="list-style-type: none"> <li>● Business Finance Courses: The Financial Services counselor/specialist will provide workshops/webinars to assist clients with training (such as understanding and creating documents) to develop necessary skills and tools to run a business and increase its efficiency.</li> <li>● Procurement: The Financial Services and Business Compliance counselors/specialists will train clients to understand the certification and procurement processes for contractual opportunities with government entities.</li> <li>● Financial Analysis: The Financial Services counselor/specialist will assist clients in assessing the viability and profitability of their business to ensure increased profitability.</li> </ul>

Access to Capital	<ul style="list-style-type: none"><li>● <b>Loan Packaging:</b> The Access to Capital counselor/specialist will assist with reviewing project feasibility, identifying programs available to fund eligible businesses, preparing loan and grant applications tailored to specific requirements, and matching clients to appropriate lenders and other funding sources.</li><li>● <b>Lenders' Criteria:</b> The counselor/specialist and consultants will introduce clients to representatives from banking institutions to gather support for the clients' packages.</li><li>● <b>Cash Flow Evaluation and Management:</b> The Access to Capital and Financial Services counselors/specialists will assist clients in tracking and analyzing cash flow to determine the liquidity and solvency of their businesses, including cash flow from operating, investing and financing activities. Staff and consultants will also conduct liquidity and profitability analyses and help clients see how changes in costs affect a company's financial statements and targets.</li></ul>
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**Marketing and Outreach**

An experienced ATC Manager from ICON CDC will be in charge of creating and implementing a year-round marketing plan, featuring an outreach strategy designed to continuously target new and current business owners and entrepreneurs in the region, with an emphasis on potential clients seeking access to business loans.

The ATC Manager will craft and deliver online marketing materials, primarily through social media, as well as print and other traditional media, in order to attract aspiring and existing business owners to ATC services. They will be responsible for managing strategic partnerships with financial institutions and other business stakeholders to function as trusted advisors for all those seeking to start or expand their business.

Another key method of outreach will be online, including social media, email blasts, enhanced content on both the ATC website, and the use of website optimization technology to draw more entrepreneurs to the ATC website. These methods will be complemented by the traditional but effective distribution of flyers at County of Los Angeles WorkSource Centers, county libraries and government offices.

**Service Area**

The service area is the incorporated areas of the City of San Fernando.

<u>Region</u>	<u>Population</u>	<u>Low/Mod Pop</u>
San Fernando	24,140	14,525 (60.17% Low/Mod)

**Eligible Business Types:**

The following business types may apply for services under the ATC Program:

- Restaurants, coffee shops, bakeries, cafés, gastropubs, etc.
- Salons, barbers, and other grooming businesses
- Gyms, day spas, and fitness studios
- Retail and Commercial stores (such as consumer goods, electronics and appliances, health and sporting goods, furniture, clothing and shoes, kitchen equipment, books and entertainment stores, music and audio/visual equipment, etc.)
- Manufacturing (as long as the business provides goods and services to the residents of San Fernando)
- Others not on the ineligible list

**Eligibility Criteria:**

A current business must meet the following criteria to participate in the ATC Program:

- Be located in a commercial, industrial, or mixed-used property in the City
- Have an active business license in the City

**Ineligible Businesses:**

The following types of businesses are not eligible to participate in the ATC Program:

- Any national chain that is not locally franchised
- Massage parlors, bars that only serve alcohol, bail bond services, home-based businesses, businesses with no bona fide ground-floor commercial storefront.
- Corporate-owned fast food restaurants (franchisees are eligible, as stated in prior Eligible Business Section)
- Check cashing, liquor stores, smoke/cannabis shops, firearms retailers
- Non-profit organizations
- Real estate salespersons

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- Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors (pawn shops, although engaged in lending, may qualify in some circumstances)
- Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds (except Eligible Passive Companies under § 120.111)
- Life insurance companies
- Businesses located in a foreign country (businesses in the U.S. owned by aliens may qualify)
- Pyramid sale distribution plans
- Businesses deriving more than one-third of gross annual revenue from legal gambling activities
- Businesses engaged in any illegal activity
- Private clubs and businesses which limit the number of memberships for reasons other than capacity
- Businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting
- Loan packagers earning more than one third of their gross annual revenue from packaging SBA loans
- Businesses in City, or any of its Associates owns an equity interest
- Multi-national or publicly traded businesses are not eligible for this program.
- Business owner that is the subject of unresolved findings of noncompliance related to previous CDBG assistance.
- Adult businesses which present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.

**Application and Selection Process:**

Local businesses will contact ICON CDC to request services. ICON CDC will then work with the selected businesses to execute an agreement.

**Application Period**

The application period is ongoing.

**Application Process**

Current businesses must complete the following:

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- Fill out ICON CDC’s service agreement and needs assessment form will help strategize for business needs.
- After completing the forms, a one-on-one consultation will be scheduled to analyze any issues.

**Intake Requirements**

<p>Aspiring small business or microbusiness owners with limited business experience</p>	<p>Required to attend the first session of the ATC’s Entrepreneurial Training Program (ETP). The introductory session (offered as with all courses as circumstance permit as both an in-person workshop and online webinar) will describe all ATC services, including access to capital and one-on-one consulting. All attendees will be required to enroll online or in person for the introductory session. Enrollment will record attendee contact and demographic information and include a needs assessment.</p> <p>Encouraged to establish a grasp of basic business skills by attending the remaining seven parts of the ETP, to be offered every ten weeks (totaling five cohorts/year) and led by an Entrepreneur Manager.</p>
<p>Experienced business owners</p>	<p>Required to attend a two-hour Access to Capital workshop offered monthly that focuses on the ATC’s loan packaging and technical assistance services and features an overview of other ATC services. These clients will also enroll online or in person to provide contact and demographic information and complete a needs assessment.</p>