

SURVIVE TO THRIVE

SBA lending experts say businesses are ready to turn a corner in 2022

By STEVEN CRIGHTON



THE SMALL Business Administration was designed to help small businesses start, expand, survive and thrive, said **Ben Raju**, the district director for the SBA's Los Angeles District Office. But over the past two years, the emphasis has been on "survive."

"Our restaurants have been hit hard. Our venues have been hit hard; they've faced major challenges, as did many of our organizations and agencies," Raju said. "With the labor crunch right now, there's not an industry that's immune to the challenges of Covid."

Despite the pandemic setbacks, Raju said businesses are brimming with optimism and opportunity, and the focus is now shifting from "survive" to "thrive." As the SBA's leader for Los Angeles, Santa Barbara and Ventura counties, Raju services more than 300,000 small businesses throughout the district, the largest SBA lending office in the nation.

That made getting the word out to business owners about pandemic protections and lending opportunities a daunting task. But the office prevailed with cooperation from banks, media outlets and other



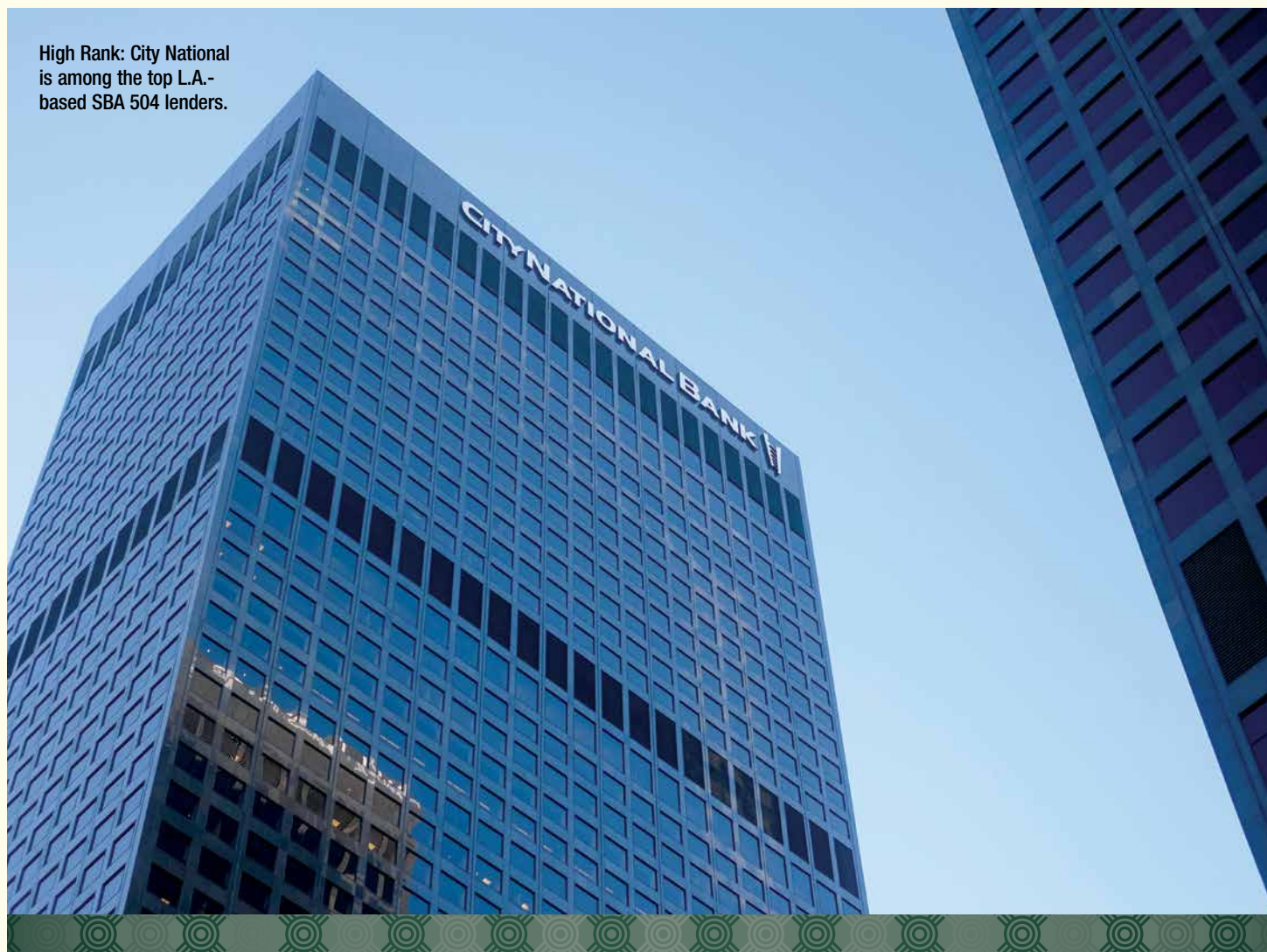
Cameron

members of the L.A. community, Raju said.

"The [banking] industry really stepped up to help," Raju said.

"The lending industry served as a conduit to be able to deliver the funds to our businesses. It provided an infrastructure that really did help us deliver the programs and resources that our community needed at the time they needed it."

Ranking among the top Los Angeles-based SBA 504 lenders in 2021, and nationally, was **City National Bank**, which as of Sept. 30, had secured approval for 139 small business loans worth a total of more than \$200 million, according to the bank's data. While it has been a record year for SBA lending generally, City National's strong performance over the course



High Rank: City National is among the top L.A.-based SBA 504 lenders.

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of the year was largely the result of strategy and established infrastructure paying off, according to **David Cameron**, a senior vice president and head of business banking with City National's Personal & Business Banking division.

"The bankers that we attract that are deeply embedded in the communities that we serve, and the communities that we serve are the high-density markets that are opportune for small business lending," said Cameron, highlighting the bank's strong presence in New York; Washington, D.C.; and Atlanta; in addition to its downtown Los Angeles headquarters.

"We are continuing to invest in California, specifically in L.A., but also in the Bay Area," said Cameron, noting his office has been expanding its staff to meet the demand.

New business

John Gomez, a **Bank of America Corp.** senior vice president and small business executive for the greater Los Angeles region, said his office has been seeing significant additional businesses created across the board, especially within the last six months.



Gomez

"While we do work with new startups, it is notable that we are also seeing a rise in business creation from our existing business owner clients, who have been starting new ventures during the pandemic as a way to find additional revenue as their existing brick-and-mortar shops experience less foot traffic and revenues," said Gomez.

Despite omicron, Gomez said small business clients in Los Angeles are off to "a very strong start" in 2022.

"Already in January, we see significant desire to access capital for their expansion plans, new technologies and physical operational changes, all in anticipation of a strong year financially," Gomez said. "This is because businesses now have 18 months of experience doing things virtually and pivoting under their belts."

Raju and Cameron were similarly bullish on the new year, with Raju noting that the infrastructure put in place to assist small businesses in the initial months of the pandemic was built to last, serving clients through the good times and the bad.

"We're better equipped as a small business ecosystem," said Raju. "In each of these industries, there's pent-up demand. ... Stimulus is great, but it's designed to sustain through a difficult time. We, as a small business ecosystem, want to get back to that earned revenue."