

Solano Biz-Grow Revolving Loan Program *May 2025*

The Solano Biz-Grow Revolving Loan Fund (“Loan Fund”) was launched with \$4 million in American Rescue Plan (“ARPA”) funds allocated by the County of Solano to the Solano Economic Development Corporation (“Solano EDC”). The Loan Fund was established to support small businesses and non-profits impacted by the COVID-19 pandemic through below-market-rate loans.

Of the \$4 million, \$3.6 million was dedicated to direct lending, while the remaining \$400,000 was split evenly between program administration and loan servicing costs, which include payments to participating lenders and rebates for borrowers who complete a follow-up assessment with the Solano-Napa Small Business Development Center (SBDC).

The Loan Fund partners with three local lenders: First Northern Bank, Travis Credit Union, and Valley Strong Credit Union. To ensure applicants are well- prepared and loan-ready, all potential borrowers are required to complete a free business assessment by the SBDC first. Once assessed, they are referred to the lenders for the loan application process.

Loan applications opened in February 2024, and in the 15 months since, the program has received 175 inquiries from small businesses and non-profits. Of those, 138 completed eligibility applications and were either assessed or are currently undergoing assessment by the SBDC.

As of May 29, 2025, the program has funded 55 loans, totaling \$3,598,300—nearly 100% of the allocated loan funds. The average loan size is \$65,424. However, there are 23 additional applications in process that cannot be funded due to the exhaustion of available loan capital.

The **geographic distribution** of funded loans is as follows:

Benica:	
Dixon:	3
Fairfield:	16
Rio Vista:	1
Suisun City:	4
Unincorporated:	4
Vacaville:	14
Vallejo:	8

Loan applications were denied for several reasons, including ineligibility, failure to meet the minimum credit score, inability to service the proposed debt, and/or failure to provide current financial statements and tax returns. In some cases, applicants chose not to proceed after the initial assessment.

The program has demonstrated a strong focus on impartiality and integrity:

- 74% of funded loans were made to minority-owned businesses:
 - 42% to Black or African American business owners
 - 29% to Hispanic or Latino business owners
- Over 50% of loans went to women-owned businesses

Outreach and marketing were critical to program success and included:

- Social media campaigns,
- Press releases,
- Collaboration with local chambers of commerce, the Solano County Farm Bureau, and other partners,
- Lender fairs,
- Email campaigns targeting SBDC clients, and
- Direct mailings from city partners to businesses in their jurisdictions.

Loan performance has been strong overall. To date, the program has three defaults, representing only 5.9% of funded loans. These loans have been referred to Pacific Credit Services for collections. One additional loan is currently delinquent. The Loan Fund has implemented a process for temporary payment deferrals, which has been granted to businesses in need, such as those that have seasonal income.

In recognition of its impact, the Solano Biz-Grow Loan Fund received an Award of Merit from the California Association of Local Economic Development (CALED) at its annual conference.

Next Steps

Solano EDC is preparing to submit a proposal to Solano County outlining the next phase of the Loan Fund. This phase will leverage loan repayments (principal and interest) to continue offering loans to small businesses and non-profits in Solano County, maintaining the program's momentum and broadening its impact.