



THE CITY OF SAN DIEGO

## Economic Development

**FOR IMMEDIATE RELEASE**

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### **City Loan Program Fuels Small Business Start-Up**

*Otay Auto Body Parts Secures \$300,000 from City's Regional Revolving Loan Fund*

SAN DIEGO – In the continuing effort to cultivate small business development, the City of San Diego has approved a \$300,000 loan to a local start-up firm that, like many entrepreneurial ventures, experienced challenges in securing financing from traditional lending sources. Otay Auto Body Parts, a start-up after-market auto parts retailer and wholesaler, is the latest recipient of the City's San Diego Regional Revolving Loan Fund. The new company used the funding to purchase inventory and hire employees to launch its business this week.

Located just south of Highway 905, Otay Auto Body Parts will provide new after-market accessories and parts to retailers and wholesalers throughout the South County. The after-market auto body parts industry is currently enjoying a rapid expansion due to extensive cost savings available to consumers over original manufacturer equipment parts.

“The City was able to help us obtain funding to purchase our initial inventory, hire staff and get our business open quickly,” stated Nasser Namvar, owner of Otay Auto Body Parts. “We are grateful the City and their staff have given us an opportunity to capitalize on an industry that has proven very successful in the Los Angeles market but has yet to take off in San Diego.”

The \$3 million San Diego Regional Revolving Loan Fund combines a \$1.5 million federal grant from the Economic Development Administration (EDA) with a local match from the cities of San Diego and Chula Vista. The program is designed to improve economically distressed areas, increase the numbers and level of business operations, and subsequently increase incomes and earning capacities. The loan fund can supplement private financing of new or rehabilitated buildings, fixed machinery and equipment, working capital and soft costs, in the loan fund project area. The project area is defined as eligible census tracts in the cities of San Diego and Chula Vista.

“The success of small businesses like Otay Auto Body Parts is very important to the economic vitality of our community,” said Councilmember Ben Hueso, whose Eighth District includes Otay Mesa. “I applaud the City's commitment to finding creative solutions to help local businesses secure the capital they need get started or expand.”

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The City's Economic Development Division has created three separate revolving loan funds to address the full spectrum of funding needs for small businesses:

- The \$1 million **San Diego Technology Fund** provides capital to technology companies that have the capacity to generate follow-on investments, creating the potential for large companies that promote regional prosperity.
- The \$3 million **San Diego Regional Revolving Loan Fund** provides capital to the mid-level non-technology companies that have a strong likelihood of generating jobs. This fund was created in partnership with the City of Chula Vista to benefit the regional economy.
- The \$500,000 **Metro Revolving Loan Fund** provides funding to underserved small business owners located in a low- and moderate-income census tract that needs start-up capital, but can't meet the terms of traditional banks.

For more information on the City of San Diego's suite of revolving loan programs, as well as other business assistance programs, visit the City's web site at **[www.sandiego.gov/ced](http://www.sandiego.gov/ced)** or call the **City's Economic Development Division** at **(619) 533-4233**.

For more information on Otay Auto Body Parts call **Nasser Namvar** at **(619) 274-0773**, or email **[otayautobodyparts@sbcglobal.net](mailto:otayautobodyparts@sbcglobal.net)**.

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