TELACU Community Capital

Los Angeles, California

Established in 1981, TELACU Community Capital (TCC) provides special financing and technical assistance to small businesses that do not easily meet the lending criteria of commercial banks. TCC is a Community Development Financial Institution (CDFI) lender that tailors its products and services to meet the specific needs of these growing businesses. Its primary service area is in the Southeast Los Angeles County area that consists of portions of northeast Los Angeles (Highland Park, Lincoln Heights, El Sereno, and Boyle Heights), the City of Commerce, Montebello, Monterey Park, the unincorporated area of East Los Angeles County, and the cities of El Monte, Baldwin Park, and Pomona.

TCC is a subsidiary of TELACU (The East Los Angeles Community Union), which was established in 1968. With more than $550 million in assets, TELACU is the largest Community Development Corporation (CDC) and is one of the largest Hispanic businesses in the United States. TELACU provides economic development services and access to capital to underserved communities, primarily in Los Angeles and Orange Counties, to support minority businesses, job creation, and the infusion of capital in low-income communities. TCC’s financial products and services include various revolving loan funds—with loans ranging from $50,000 to $750,000—and business management workshops to provide new and existing business owners with the financial tools they need to be a successful business manager and loan candidate.

TCC empowers hardworking families and entrepreneurs in underserved communities by providing access to capital—the cornerstone of self-sufficiency. To date, TCC has received $1.4 million from the CDFI Fund, which has helped the organization invest a total of $21.7 million in local communities. By supporting its capital lending fund, the CDFI Fund has helped TELACU meet the capital needs of small business owners and keep jobs in its communities.

Nick’s Paradise Café

Since 1978, Mr. Niko Begakis has offered delicious Greek breakfast and lunch options to the local workforce in Montebello, California at his restaurant, Nick’s Paradise Café. Today, this community—the majority of which is Hispanic—suffers from a 15 percent poverty rate and a 10.4 percent unemployment rate.

In 2011, Mr. Begakis wanted to expand his business to include catering and delivery services to increase his reach to new businesses and customers in the area. Mr. Begakis also sought to increase the restaurant’s hours of operation to grow dine-in traffic and allow the restaurant to cater dinner events and evening receptions.

When Mr. Begakis went to his local bank, he was declined for a loan due to a decrease in the restaurant’s revenues during the Great Recession. Many manufacturing and real estate services companies in the area had either closed or relocated when the economy slowed, causing a significant drop in business.

TCC provided Mr. Begakis a $175,000 loan to restructure his commercial real estate loan and help the company purchase a commercial vehicle. By lowering the interest rate and providing the restaurant with needed capital, TCC helped Nick’s Paradise Café not only to retain six positions, but add a catering service and hire a full-time driver.