

SUBORDINATE LOANS SPECIAL FUND APPLICATION

City of Los Angeles, Industrial Development Authority

Community Development Department

Note: Please type answer in boxes provided; enter "X" for "yes" or "no"; enter dates as "mmddyy" format. Monetary entries will automatically convert into dollar format.

Section 1. Applicant and Business Information

Applicant		Date	
Applicant Address		Telephone Number	()
City, State, Zip		Fax Number	()
Social Sec. No.			
Type Of Applicant	Partnership	LLC	Corporation
			Sole Proprietor
(explain)	Ownership Entity		
Business Name		Telephone No.	()
Address		Bus. License No.	
City, State, Zip		Bus. Tax Registration Certificate Number	
Date Business Established		SIC Code Number	
Have you ever applied for and received government funding before?		Yes	No
If yes, please describe			
Have you ever defaulted on a government loan before?		Yes	No
If yes, please explain			
Have you or any principal with 20% interest or more filed for bankruptcy within the last 10 years?		Yes	No
If yes, please explain			

Section 2. Management

(Proprietor, Partners, Offices, Directors and Stockholders owning 20% or more of stock):

Name	Title	Address	% Owned	Annual Compensation

Section 3. Summary of Collateral

Collateral	Present Market Value	Mortgage Liens	Amount of Equity
Commercial Real Estate			
Residential Real Estate			
Machinery & Equipment			
Other			
Total Collateral			

Section 4. Project Description

A. Project Name								
B. Project Address								
C. Has construction started on this project?	Yes		No		N/A		Date	
D. Do you have construction estimates ?	Yes		No		N/A			
E. Do you have architectural plans?	Yes		No		N/A			
F. Was a Phase One Review completed ?	Yes		No		N/A			
G. Do you have any required City permits or zoning approvals? (If “ Yes”, expiration dates: <u>None</u>)	Yes		No		N/A			
H. Number of structures at projects address:								
I. Number of commercial units at project address :								
J. Number of residential units at project address:	None							
K. Does project involve relocation of your business ?	Yes		No		N/A			
L. Does project involve relocation of another business / residence?	Yes		No		N/A			
M. Will your business be the sole occupant of the property?	Yes		No		N/A			
If no, what percentage of the site will be leased to others?								
N. Describe your pre-lease commitments or your plan to lease this space . Provide Attachment Letters.								
O. Have you ordered an appraisal of the property?	Yes		No		N/A			
P. Have you ordered a market feasibility study of the project ?	Yes		No		N/A			

Section 5. Site Control

A. Do you have control of the Site?	Yes		No	
B. If yes to A, do you currently own the site?	Yes (Skip to “G”)		No	
C. If in escrow, indicate the following :	Date Opened		Term of Escrow	
D. If option to purchase, describe terms:				
E. If lease or lease with option to buy, describe terms.				
F. Other (describe)				
G. If site is owned, list existing debt:	1st Mortgage Holder	2nd Mortgage Holder	3rd Mortgage Holder	
Loan Amount (s)				
Interest Rate(s)				
Current Balance(s)				
Monthly Payment(s)				
Maturity Dates(s)				

Section 6. Project Financing

Sources	Amount				
Applicant Equity Contribution :					
- Cash					
- In-kind Contribution					
- Land Value					
- Other		Describe:			
- Subtotal					
- Private Lender Funds		Commitment:	Yes		No
- City Section 108 Loan Request					
- Other Public Funds (loans , grants)		Commitment:	Yes		No
- Other		Describe:			
Total Of Funds					

Use Of funds	Applicant Equity	Private Lender Funds	Section 108 Loan Funds	Other Public Funds	Other Funds	TOTAL
Fees related to sale						
Land Acquisition						
Building Acquisition						
Relocation Costs						
Street/ Site Improve.						
Parking Facilities						
Rehab Existing Bldg.						
Site Preparation						
New Construction*						
Utilities Connection						
Used Equipment**						
New Equipment						
Engineering & Archit.						
Legal, Permits, etc.						
Other (explain)						
TOTAL						

* Any construction costs to be paid through Subordinate Loans Special Fund must reflect Davis Bacon prevailing Federal Wage Standards. Please contact the Community Development Department at (213) 485-6782 for the current federal rates.

** Used equipment must be appraised.

Section 7. Public Benefits

A.	As a direct result of a Subordinate Loan, will your project create jobs?	Yes		No	
B.	As a direct result of a Subordinate Loan, will your project retain jobs or prevent a relocation outside the City of Los Angeles ?	Yes		No	
C.	If yes to B, can you document that a minimum of 51% of your workforce is currently comprised of low/moderate income persons, or that within a projected time frame, a minimum of 51% of your workforce will be comprised of low/moderate income persons?	Yes		No	
D.	Is your project site located within a governmental rehabilitative jurisdiction such as the Community Redevelopment Agency Project Area, the State Renewal Community or Enterprise Zone, or the Federal Empowerment Zone?	Yes		No	
E.	As a direct result of a Subordinate Loan, will your project upgrade or eliminate a slum or blighted area?	Yes		No	
F.	Has the project or site been formally designated for historic preservation?	Yes		No	
G.	Has the project or site been cited as unsafe or hazardous location?	Yes		No	
H.	As a direct result of a Subordinate Loan, will your project provide goods and services which are presently unavailable in the surrounding community?	Yes		No	
I.	Is the project located in an officially designated target area?	Yes		No	
If yes, which one(s) ?		State Ent. Zone		Empower. Zone	
				Ren. Community	
J. How did you hear about the Subordinate Loan Program ?					
Advertisement		Bank Officer		Mayor's Office or City Council Office	Flyer in Mail
Other (Please explain)					

Section 8. Project Development Team

Please provide organization name, contact person and telephone numbers for the members of your project team:

<i>Team Member</i>	<i>Organization Name</i>	<i>Contact Person</i>	<i>Telephone No.</i>
Banking Institution			
Accountant			
Attorney			
Developer / Owner			
Architect			
Insurance Agent			

Section 9. Job Creation

At Project Site Today		Upon Project Completion		1 Year after Completion		2 Years after Completion	
Number of Jobs	\$Total Salaries	Number of Jobs	\$ Total Salaries	Number of Jobs	\$ Total Salaries	Number of Jobs	\$Total Salaries

Management

--	--	--	--	--	--	--	--

Skilled

--	--	--	--	--	--	--	--

Semi- skilled

--	--	--	--	--	--	--	--

Unskilled

--	--	--	--	--	--	--	--

Total

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Section 10. Credit Review Authorization and Applicant Signature

The following information is needed to complete a personal credit investigation. This form is to be completed by every Applicant and each shareholder holding a 20 percent or more interest (all individuals listed on Section 2 of Page 1 of this Application).

	Shareholder 1	Shareholder 2	Shareholder 3	Shareholder 4
Legal Name				
Social Sec. No.				
Birth Date				
Home Address				
City State, Zip				
Occupation				

By signing below, I/we authorize the City of Los Angeles to check the Principal's and/or the Company's credit record and any statements made on behalf of the Company. I/we authorize the City to contact credit reporting agencies and creditors with regard to the status of any past or outstanding indebtedness. I/we authorize and direct the Company's creditor's to give the City any information it requests, to determine the Company's creditworthiness. I/we also give the City the permission to give credit reporting agencies and other creditors information relating to any loans the City might grant the company.

I/we, as a condition of acceptance of a Subordinate Loan, agree to comply with each of the Federal Labor Standards Provisions of the Davis – Bacon Act. I/we understand that as a consequence of utilizing federal block grant funds as payment for construction and/or construction related activities and because of the requirements that the Company pay prevailing wages, the Company's costs may be increased by 30 percent or more above estimates submitted to date.

By signing below, I/we agree that all information in this application and its attachments is true, accurate, and complete to the best of my/our knowledge.

	Shareholder 1	Shareholder 2	Shareholder 3	Shareholder 4
Signature				
Date				

Section 11. Checklist of Financial Material

The following material is necessary for a full review of your Subordinate Loan application. Please attach a copy of each of the checked items to this office.

	<p>1. CPA prepared Financial Statements : Most recent interim and prior three year-ends. Should include:</p> <ul style="list-style-type: none"> - Balance Sheets - Income statements, and any related notes to statements. (Statements should reconcile with tax returns; explain discrepancies with footnotes.) <p>2. Proforma financial statements : Include all notes and schedules. Should include:</p> <ul style="list-style-type: none"> - First year proforma and cash flow, broken down on a monthly basis. - Additional 10-year proforma and cash flow statements. - Any explanations of the underlying assumptions supporting cash flow projections.
	<p>3. Copies of signed Federal income tax returns : Individual (prior three years) and related schedules.</p>
	<p>4. Copies of signed Federal income tax returns : Business (prior three years) and related schedules.</p>
	<p>5. Private lender commitment / Letter of Interest : Include terms and conditions showing other funding sources.</p>
	<p>6. If project involves real estate :</p> <ul style="list-style-type: none"> - Evidence of site control - Grant Deed - Escrow documents
	<p>7. Project description : Brief narrative</p>
	<p>8. History of business / Business Plan : Brief narrative</p>
	<p>9. Phase 1 Site Assessment</p>
	<p>10. Collateral available to secure the loan</p>
	<p>11. If project involves construction, materials and labor : Any construction funded through a Subordinate Loan requires adherence to Federal prevailing wage rate ("Davis Bacon" guidelines). Please call (213) 485-6782 for detailed information.</p>
	<p>12. Appraisal of property (Current within the last 6 months)</p>
	<p>13. Description and number of new jobs to be created</p>
	<p>14. Site plan</p>
	<p>15. Sources and Uses</p>

**Please return application to: Community Development Department
Attention: Industrial Development Authority
215 W. 6th St, 3rd Floor
Los Angeles, CA 90014**