

## MISSION STATEMENT

The mission of the **Los Angeles Community Development Bank** (Not A Commercial Bank) is to promote a positive investment environment and create/retain sustainable jobs for residents and others within the Los Angeles Empowerment Zone (EZ). The LACDB, working in partnership with community institutions, businesses and civic leaders, will provide the linkages that successfully attract, start and expand business opportunities in the EZ.

The LACDB will facilitate attainment of its mission by offering products and programs that will:

- Increase jobs for local residents
- Provide loans and investment vehicles for business formation and expansion
- Leverage private sector investment in the EZ
- Improve access to products and services

## EMPOWERMENT ZONE

The EZ encompasses a 19 square-mile area that include the communities of Pacoima, Boyle Heights, the East Downtown Corridor, the Downtown Historic Corridor, Central Avenue, the Slauson Industrial Corridor, the Broadway District, and the county unincorporated communities of Watts, Firestone, and Willowbrook.

## EZ BENEFITS

- EZ / Enterprise Community Bonds (Certain businesses in Enterprise Community)
- Brownfields
- Education Zone Academy Bonds
- Waiver of City Business Tax
- Preference Points (for non-profits applying for certain federal grant opportunities)

For further information, contact the Los Angeles Community Development Department at (213) 485-2956.

## PROGRAM PARAMETERS

To be eligible for financing from the LACDB:

- A business\* must be located in or be willing to relocate into the EZ.
- A business must create or retain one job for every \$35,000 borrowed.
- EZ residents must hold fifty-one percent (51%) of the jobs created or retained.
- A business must have a credit declination letter from a commercial bank.

**\*To determine if your business is in the EZ or in an eligible census tract, please contact your nearest LACDB office.**

## LACDB OFFICES

### HEADQUARTERS:

5312 South Vermont Avenue  
Los Angeles, CA 90037  
(323) 759-7759  
Fax: (323) 759-7750

### Greater Eastside:

1241 South Soto Street, Suite 118  
Los Angeles, CA 90023  
(323) 264-4290  
Fax: (323) 264-4491

### Watts:

10221 Compton Boulevard, Suite 203  
Los Angeles, CA 90002  
(213) 473-5117  
Fax: (213) 473-5120

### Pacoima:

12502 Van Nuys Boulevard, Suite 114  
Pacoima, CA 91331  
(818) 834-0220  
Fax: (818) 834-9880

Los Angeles  
**Community Development Bank**  
(Not A Commercial Bank)



Promoting a positive investment environment and creating/retaining sustainable jobs for residents and others in the  
**Los Angeles Empowerment Zone.**

# LACDB

# LACDB LOAN PROGRAMS

## DIRECT LENDING

Under the Direct Lending Program, the LACDB makes **Business Loans** and **Commercial Real Estate Loans** for the following purpose, terms and conditions:

- **Business Loans.** Business loans range from \$500,001 to \$20 million. These commercial loans can finance the expansion of existing operations, acquisition of new plant facilities, business acquisitions, franchise acquisitions and expansion, cooperatives, startups, employee stock ownership programs (ESOPs), equipment purchases, permanent working capital, and to finance the relocation of businesses wishing to move into eligible areas of the LACDB. Loan terms may range from one to twenty years, depending on the transaction.
- **Commercial Real Estate Loans.** Commercial Real Estate Loans range from \$100,000 to \$20 million. This program will fund projects that not only create permanent jobs, but also provide goods and services not otherwise available, or eliminate slums and blight. Eligible projects include those that target vacant lot revitalization, underutilized property development, rebuild and rehabilitation projects, and the commercial portion of mixed use projects; it will also fund the acquisition of property and plant facilities for development into incubator space and industrial parks. Terms may range from one to twenty years, depending on the transaction.

## INVESTMENT & INDIRECT LENDING

These programs involve loans and investments made to borrowers originated by Financial Intermediaries. There are **Venture Capital Investment Fund Intermediaries**, **Microloan Intermediaries** and **Business Loans Intermediaries**.

- **Venture Capital.** The minimum investment will be \$100,000, with a targeted initial investment of \$300,000 to \$2 million. The targeted maximum investment limit for investments in any one company will be \$4 million. Through the Venture Capital Program, the LACDB seeks to invest in companies that are not able to access private venture capital funds because the amount of financing required does not meet such funds' investment parameters and/or the company's business is at too early a stage of development to attract traditional venture capital.
- **Microloans.** Microloans range from \$1,000 to \$25,000. Loans to eligible businesses to finance business startups, expansion and growth, equipment acquisition, and working capital. The Microloan Program targets very small businesses (five or fewer employees).
- **Business Loans.** Business loans range from \$25,001 to \$500,000. These loans to eligible businesses can finance expansion of existing and acquisition of new plant facilities (including land), business acquisitions, franchise acquisitions and expansion, cooperatives startup and expansions, employee stock ownership programs (ESOP), equipment purchases, and permanent working capital, and to finance the relocation of businesses wishing to move into loan eligible areas of the LACDB. Loan terms may range from one to twenty (1-20) years, depending on the transaction.

# TECHNICAL ASSISTANCE

- **Pre-Funding.** Pre-Funding Technical Assistance is available through numerous publicly-funded technical assistance programs located in or adjacent to the EZ. A list has been compiled for the benefit of business owners who are interested in applying for financing through the LACDB. Fees, types, and frequency of services vary. Please contact the LACDB for further information.
- **Loan Packaging Service Providers.** These service providers offer *free* assistance in assembling or packaging your complete LACDB loan application. Please contact the LACDB for further information.
- **Post-Funding Technical Assistance.** The LACDB operates a technical assistance intermediary program offering assistance in five business management areas:
  - Financial Management
  - Operations
  - Marketing and Positioning
  - Human Resources
  - Special Needs



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