



**CITY OF LOMPOC  
ECONOMIC DEVELOPMENT PROGRAM  
REVOLVING LOAN FUND 2009  
(COMMERCIAL AND INDUSTRIAL PROJECTS)**

The City of Lompoc provides federal Community Development Block Grant (“CDBG”) funds for eligible economic development projects. The Economic Development Revolving Loan Fund (RLF) Program provides loan funds to eligible businesses with the ultimate objective of creating jobs for persons at 80% or less of area median income (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD) for the Lompoc area. The RLF can assist businesses to either create or retain jobs. The City can lend up to \$35,000 per full time job created.

Each job created or retained must be a full time equivalent permanent job. The employer must obtain documentation from the job applicant at the time of hiring that the applicant’s income is at or below 80% of AMI for their household size. Fifty one percent (51%) of the jobs created or retained must be made available to persons at this income level at the time they are hired.

A business must be able to demonstrate that the CDBG assistance is necessary for new job creation or retention. A qualifying business can use the funds for: land or property acquisition, equipment, fixtures, and/or working capital, among other uses. Use of RLF funds for the payment of wages related to construction, rehabilitation or installation will require the payment of either state or federal prevailing (whichever is higher). Please contact our office for further details.

If your business is interested in the City of Lompoc’s Economic Development Revolving Loan Fund Program, please complete the attached application. There is no cost to apply. Please submit two (2) copies of the application and required attachments to:

City of Lompoc  
Community Development Department  
100 Civic Center Plaza  
Lompoc, CA 93436  
805-875-8245  
Attention: Dinah Lockhart,  
Community Development Program Manager

## **~REVOLVING LOAN FUND EVALUATION STANDARDS**

### **Objectives**

The Revolving Loan Fund (RLF) encourages:

- Private sector job creation/retention
- Capital formation
- Private sector projects that have a financial feasibility based on recognized underwriting criteria
- Gap financing
- Development of Sales Tax and Property Tax Base
- Business Start-Ups and Development of New Business

### **Loan Criteria**

- Jobs/Cost Ratio: Maximum \$35,000 per qualified FT job created.
- Type of Jobs Created/Retained: At least 51% of the jobs created will be held by, or made available to persons whose household income is at 80% of Area Median Income or less, adjusted for household size. See attachment to this application for greater detail.

RLF funds are available to businesses located within Lompoc's city limits.

### **Eligible Activities**

- Working capital for inventory and receivables
- Machinery, equipment, furniture, fixtures and leasehold improvements
- Acquisition and assembly of owner-occupied land and facilities
- Construction and installation (please call first).

### **Ineligible Project and Activities**

- Projects outside Lompoc's city limits.
- Loans for the purpose of investing in interest-bearing accounts, certificates of deposit or owner investments.
- Speculative activities since near-term job creation or retention are not evident.
- Job pirating. This is the use of federal funds to lure or attract businesses and its jobs away from one labor market to another.
- Projects where there is not reasonable assurance of repayment of the loan.

## **REVOLVING LOAN FUND EVALUATION STANDARDS** continued

- Projects which would create a conflict of interest for any current or former Council member or anyone related to them by blood, marriage or law until one year after the formal termination of their relationship with the City.
  
- RLF capital cannot be used to:
  - Purchase or finance equity in private businesses;
  - Subsidize interest payments on existing loans;
  - Refinance loans made by other lenders.



**CITY OF LOMPOC  
ECONOMIC DEVELOPMENT PROGRAM  
REVOLVING LOAN FUND APPLICATION 2009**

**COMPANY INFORMATION**

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Name of Principal in Charge: \_\_\_\_\_  
Telephone #: (\_\_\_\_\_) \_\_\_\_\_  
Type of Business: \_\_\_\_\_ Date Established: \_\_\_\_\_  
Type of Entity (Check One): Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Proprietorship \_\_\_\_\_  
Tax ID #: \_\_\_\_\_

**PROJECT INFORMATION**

Street Address of Project: \_\_\_\_\_  
City: \_\_\_\_\_ County: \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_  
Escrow Closing Date: \_\_\_\_\_ Realtor's Name: \_\_\_\_\_ Telephone #: (\_\_\_\_\_) \_\_\_\_\_

**BORROWING ENTITY**

Name of Borrower: \_\_\_\_\_  
Type of Entity: (Select one)  
1. \_\_\_\_\_ Corporation Name of President \_\_\_\_\_ Name of Secretary \_\_\_\_\_  
2. \_\_\_\_\_ Partnership Partners Names \_\_\_\_\_ %  
\_\_\_\_\_ %  
\_\_\_\_\_ %  
\_\_\_\_\_ %  
(Total percentage must equal 100%)  
3. \_\_\_\_\_ Husband and Wife 4. \_\_\_\_\_ Single Principal

Primary Bank: \_\_\_\_\_  
Branch: \_\_\_\_\_  
Account Officer: \_\_\_\_\_ Telephone: \_\_\_\_\_  
(\_\_\_\_\_) \_\_\_\_\_

Past Bankruptcies (please describe)  
\_\_\_\_\_  
\_\_\_\_\_

**INTENDED USE OF PROPOSED LOAN PROCEEDS**

Land Acquisition	\$ _____
Land Improvements	\$ _____
Purchase and/or Remodel Building	\$ _____
New Construction	\$ _____
Purchase Machinery and Equipment	\$ _____
Other (contingencies)	\$ _____
<b>Total</b>	<b>\$ _____</b>

Project cost: List Project Uses

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Total Project Cost:**

\_\_\_\_\_

Funding:

Business Contribution:  
Private Lender:  
Sub-Total:  
Requested RFL Funds:

**Total Project Funding:**

Project Funding Sources

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**HISTORY AND NATURE OF YOUR BUSINESS**

1. When was your company established and by whom?
  
  
  
  
  
  
  
  
  
  
2. When did you gain control of the business?
  
  
  
  
  
  
  
  
  
  
3. What products or services do you sell? (Attach any catalogs or brochures)
  
  
  
  
  
  
  
  
  
  
4. What is your geographic market area?
  
  
  
  
  
  
  
  
  
  
5. How do you market your product or service? (i.e., type of advertising, direct mail, outside salesmen, etc.)

6. What is the size (sq. ft.) of your current facility? When does your present lease expire?

### EXPECTED BENEFITS FROM THE LOAN

1. What will be the size (sq. ft.) of your new (or enlarged) facility?
2. How will this new (or remodeled) facility help your business? (i.e., increase revenues, add new products/services, efficiency, etc.; Be specific.)
3. If you are moving to a new location, how will this affect your business?

### EMPLOYEE INFORMATION

Number of Existing Employees \_\_\_\_\_

The number of new employees anticipated as a result of this project within the next two years:

Number of New Employees

Job Type and PT/ FT

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Do you have any affiliate and/or subsidiary firms? If so, please provide the last fiscal year end financial statements for the listed firms. If **not applicable**, check here \_\_\_\_\_

If your business is a franchise, include a copy of the Franchise Agreement and the Franchiser's FTC Disclosure Statement.  
If **not applicable**, check here \_\_\_\_\_.

List any previous government financing by any principals or affiliates (including SBA).

Name of Agency \_\_\_\_\_ Original Amount  
\_\_\_\_\_

Date of Request \_\_\_\_\_ Approved \_\_\_\_\_ Declined \_\_\_\_\_

Outstanding Balance \_\_\_\_\_ Status \_\_\_\_\_

If **not applicable**, check here \_\_\_\_\_

## ADDITIONAL INFORMATION REQUIRED

The following information is required for Revolving Fund Loan applications. By supplying all the necessary data, your application can be processed without delay.

- o Business Plan which describes your business' current operations and demonstrates how the loan will further your company's goals (see attached Business Plan Outline). Include Market Study, if applicable.
- o Credit Check Authorization (attached)
- o Copies of Articles of Incorporation and Bylaws, Partnership Agreements, Business Licenses or Fictitious Business Name Statement, as applicable
- o Financial Statements for the most recent year
- o Interim Financial Statements and comparable period for prior year
- o Signed Business Tax Return for previous along with income and expense statements for past three years
- o Signed Personal Financial Statement for each principal (owner, partner, primary stockholder) of the business (attached). This form is also available on-line at [www.sba.gov/sbaforms/sba413.pdf](http://www.sba.gov/sbaforms/sba413.pdf)
- o Signed Personal Tax Return for the past three years

Depending on your situation, we may also ask you to provide any or all of the following information after review of your pre-application.

- o Copy of Accounts Payable aging
- o Copy of Accounts Receivable aging
- o Projected Income Statement, which forecasts business expenses and revenue
- o Projected Balance Sheet
- o Projected Cash Flow
- o Resume for each business associate (owner, partner, primary stockholder)
- o Copy(s) of Purchase, Franchise Agreement(s), Lease and/or Trust Agreement
- o Schedule of Business Fixed Debt (attached)

I certify to the best of my knowledge that the above information and attachments are correct. I understand that funds are limited and acceptable of application does not guarantee a funding commitment or project approvals from the RLF Program. I authorize the City to obtain all the necessary credit reports (business and personal) and inquiries to verify the accuracy of the above statements and to determine creditworthiness pertaining to this loan request. I also understand the City may provide a copy of this loan application and any additional materials to consultants and/or economic development loan underwriters contracted by the City to evaluate any and all information provided in this loan application.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name)



## Credit Check Authorization

### Fair Credit Reporting Act

As part of processing your application for an Economic Development loan, we may request a consumer report bearing on your creditworthiness, credit standing, and credit capacity.

This notice is given pursuant to the Fair Credit Reporting Act of 1970, Section 601 to Section 622, inclusive. You are entitled to such information within 60 days of written demand therefore made to the Credit Reporting Agency pursuant to Section 607(b) of the Fair Credit Reporting Act.

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Applicant

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Date

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Applicant

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Date

# Business Plan Outline

## 1. Description of Business

- Name and Location
- Legal Structure
- Principal Owners
- Nature of the business
- History of the business
- Franchise: include Franchise Agreement with FTC Disclosure

## 2. Product or Service

- Describe product line(s) or types(s) of service
- Describe materials and supply sources
- Methods of production
- Quality and cost of production or service

## 3. Market Information

- Market area and trends
- Customers and potential new customers
- Competition, names, locations and size
- Advantage of your product/service over others

## 4. Advertising

- Methods of advertising and promotion
- Sales methods
- Pricing policy
- Customer service

## 5. Facilities

- Location
- Size and zoning
- Age and condition
- Expansion opportunities

## 6. Management and Personnel

- Management expertise
- Key personnel (position, qualifications)
- Professional services
- Present and future manpower requirements
- Personnel breakdown – skill levels, hours, wage rates, unionization, etc.

## 7. Benefits to the Community

- Job created/retained
- Building rehabilitation
- Meeting community needs
- Increase community tax base

## 8. Summary of Future Plans

- Short range and long range
- Expansion
- Relocation
- Three years of projections (first year broken down by month)

*\*\* The business plan is an important component to your loan package. It will show how well your proposal has been thought out. One paragraph for each number item is sufficient. An overall length of 2-5 pages is adequate.*

# How to determine who qualifies as an eligible 'hire' for the purposes of the CDBG Economic Development Loan Program

Income is determined by a combination of income and household size, *at the time of hire*.

1. How many people live in your prospective employee's household?
2. What is the gross annual income (all income from anyone having a job) of the household?
3. If your prospective employee's household income is above the Low Income figures below, that employee may not be counted toward the employer's "Jobs Creation/ Jobs Filled" goal, which is a condition of the employer's loan agreement with the City.

**Example:** There are 4 people in your employee's household. Two people in your employee's household work, and their combined gross annual income is \$62,250. This household would qualify, and the job filled by that employee would count toward the employer's "Jobs Creation/ Jobs Filled" goal.

Eligible persons to hire, as determined by HUD, are individuals whose income is at 80% or less of area median income by household size as determined by HUD below:

Household Size	1 Per	2 Per	3 Per	4 Per	5 Per	6 Per	7 Per	8 Per
<b>"Low Income" as determined by HUD for the Santa Barbara County area for 2009</b>	43,600	49,800	56,050	62,250	67,250	72,200	77,200	82,150



**PERSONAL FINANCIAL STATEMENT**

**U.S. SMALL BUSINESS ADMINISTRATION**

As of \_\_\_\_\_, \_\_\_\_\_

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name \_\_\_\_\_ Business Phone \_\_\_\_\_

Residence Address \_\_\_\_\_ Residence Phone \_\_\_\_\_

City, State, & Zip Code \_\_\_\_\_

Business Name of Applicant/Borrower \_\_\_\_\_

ASSETS		(Omit Cents)	LIABILITIES		(Omit Cents)
Cash on hand & in Banks .....	\$	_____	Accounts Payable .....	\$	_____
Savings Accounts .....	\$	_____	Notes Payable to Banks and Others .....	\$	_____
IRA or Other Retirement Account .....	\$	_____	(Describe in Section 2)		
Accounts & Notes Receivable .....	\$	_____	Installment Account (Auto) .....	\$	_____
Life Insurance-Cash Surrender Value Only .....	\$	_____	Mo. Payments \$ _____		
(Complete Section 8)			Installment Account (Other) .....	\$	_____
Stocks and Bonds .....	\$	_____	Mo. Payments \$ _____		
(Describe in Section 3)			Loan on Life Insurance .....	\$	_____
Real Estate .....	\$	_____	Mortgages on Real Estate .....	\$	_____
(Describe in Section 4)			(Describe in Section 4)		
Automobile-Present Value .....	\$	_____	Unpaid Taxes .....	\$	_____
Other Personal Property .....	\$	_____	(Describe in Section 6)		
(Describe in Section 5)			Other Liabilities .....	\$	_____
Other Assets .....	\$	_____	(Describe in Section 7)		
(Describe in Section 5)			Total Liabilities .....	\$	_____
<b>Total</b>	\$	_____	Net Worth .....	\$	_____
			<b>Total</b>	\$	_____

Section 1. Source of Income	Contingent Liabilities
Salary .....	As Endorser or Co-Maker .....
Net Investment Income .....	Legal Claims & Judgments .....
Real Estate Income .....	Provision for Federal Income Tax .....
Other Income (Describe below)* .....	Other Special Debt .....

Description of Other Income in Section 1.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

**Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).**

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

**Section 5. Other Personal Property and Other Assets.** (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

**Section 6. Unpaid Taxes.** (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

**Section 7. Other Liabilities.** (Describe in detail.)

**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

**PLEASE NOTE:** The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. **PLEASE DO NOT SEND FORMS TO OMB.**

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**Schedule of Debt**

<b>CREDITOR (Address)</b>	<b>Original Amount</b>	<b>Original Date</b>	<b>Present Balance</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Monthly Payment</b>	<b>Collateral Security</b>	<b>Current or Delinquent</b>

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_