Memo

To: Commissioners, First 5 Ventura County

From: Petra Puls, Director of Program and Evaluation

Date: July 17, 2014

Re: Recommendation to Update Operating Procedures for Community Investment Loan Fund

Background

The goal of the Community Investment Loan Fund is to increase the number of licensed quality child care and preschool spaces for Ventura County's children by providing low-cost financing for facilities development. Following a bid process in July 2009, the Commission selected the Economic Development Collaborative of Ventura County (EDC-VC) as the implementation partner for the Community Investment Loan Fund (CILF). The Commission also approved loan terms, guidelines, and operating procedures which are incorporated into the contract with EDC-VC.

As part of the annual contract renewal process, several opportunities were identified for improving the Operating Procedures, which serve as the guiding document for implementing the Community Investment Loan Fund, were identified. Proposed changes are tracked on the attached document.

Recommendation

The recommended action would modify the operating procedures for implementation of the Community Investment Loan Fund, which include: changing EDC-VC's remittance of borrower payments from monthly to quarterly, adding procedures for waiving late fees, modifying loan origination fees, and updating the loan approval process.

Exhibit E
Revised 7/2014

Community Investment Loan Fund
Operating Procedures

First 5 Ventura County and
Economic Development Collaborative–Ventura County

OVERVIEW:

These Operating Procedures are to guide the implementation of the Community Investment Loan Fund, helping to define the roles of the Economic Development Collaborative-Ventura County (EDC-VC) and First 5 Ventura County (First 5). These operating procedures are meant as general guidelines to assure the efficient delivery of services toward achieving the program's goals.

Program Purpose: The purpose of the Community Investment Loan Fund is to provide below-market financing for the development of licensed quality child care and preschool facilities for Ventura County's children. The Loan Fund is designed to help increase the number of licensed child care and preschool spaces, by direct lending, by leveraging additional financing and investment, and by helping applicants get the maximum benefit of other limited resources.

For additional detail on the Loan Fund see the Loan Terms and Guidelines, attached.

PROGRAM TASKS:

EDC-VC will complete the tasks as identified in the program contract. For operational summary here, EDC-VC Community Investment Loan Fund Program Tasks include:

1. Loan underwriting, servicing and general administration, in consultation with First 5 for program eligibility, relative to the population to be served.

2. Review of the applicant's business plan through the EDC-VC'S Business Enhancement Program (BEP) and by other professional resources to be arranged as appropriate to counsel loan applicants and assist them with the preparation of loan applications. This review may include referral to First 5 for assistance in coordinating professional review dedicated to supporting employer-sponsored child care/preschool programs.

3. Assemble borrowers' applications and relevant financial information (See Application Procedures, below).

4. Prepare a credit analysis and memorandum for submission to the Loan Board.

5. EDC-VC shall develop, maintain and continually support a Community Investment Fund Loan Board. EDC-VC is responsible for orienting the Loan Board to program goals and objectives.

   The Loan Board will be comprised of five members, at least three of whom shall have professional banking or financial knowledge and experience. Other Loan Board members shall be individuals with general business or economic development experience and knowledge. At least one Loan Board member will have experience in child care and early child education programs.

A voting quorum will consist of not less than three members, two of whom must be individuals with professional financing experience. An affirmative vote of at least three members will be required for loan approvals, all major loan modifications or waivers, and recommendations for loan foreclosure/write-off actions. The Loan Board will schedule meetings as needed, but agree to review transactions requiring immediate attention. No loan can be committed, nor major loan modification or waiver agreed to, or loan foreclosure action initiated without written approval (in the form of Loan Board Minutes) of the Loan Board. The Loan Board will also be responsible for approving the pricing of loans approved for funding. The Loan Board does not have the authority to write off loans. The Loan Board will make loan write-off recommendations to the First 5 Commission; write-off actions will require Commission approval.

All Loan Board members will sign a declaration on each loan approval assuring no personal conflict of interest. Loan Board members who may have a conflict of interest shall not participate in the loan decision.

6. For approved applications, prepare closing documents and manage the loan closing process in a timely manner and in compliance with all appropriate regulations.

7. Maintain a permanent file on each loan with all required documentation.

8. Perform loan servicing, with additional counseling going towards problem accounts (See Servicing Procedures, below).

9. At a minimum, annually request, collect, and review borrower's financial statements. The frequency of financial statement review may be shorter, as set by each loan's final terms and conditions.

10. Analyze and make recommendations as appropriate when responding to borrower's requests for collateral releases or subordinations.

11. Provide quarterly reports in support of invoices, summarizing the quarter's activities, loan program inquiries, loans in process, and tentative loan closing dates. EDC-VC will also provide reports as requested by First 5.

12. Provide quarterly financial and program income reports, including individual account status, accounting of loan principal and interest repaid, child care and early child education spaces created, and other program performance reports as may be requested by First 5.

13. If necessary, provide a collection action report for any past due loans (see Collection and Default Procedures, below).

14. Work with First 5 staff to update the Community Investment Loan Fund parameters as needed.

15. Work with First 5 staff to maintain a marketing and outreach program for the Community Investment Loan Fund Program.

16. Seek and promote co-investment into the Community Investment Loan Fund by other financial partners, including and particularly commercial credit institutions.

APPLICATION PROCEDURES:

EDC-VC shall require each potential borrower to complete the Community Investment Loan Fund application. The application shall include, but is not limited to, the following documentation:

1. History of the business with written explanation of loan request, amount, purpose, and repayment terms requested.

2. Personal federal tax returns for the last three years, including all schedules.

3. If applicable, business federal tax returns for the last three years, including all schedules.

4. A business plan, to include interim statements (profit & loss and balance sheet), which are not older than 90 days.

5. Personal financial statement for each owner with a 20% or more interest in the business.

6. Schedule of outstanding debt, both business and personal.

7. Signed Certification of Financial Statements.

8. Signed IRS Form 4506 authorizing EDC-VC to obtain copies of personal and business tax returns directly from the IRS.

9. Signed business and personal Credit Authorization Statements for the business and any individual with 20% or greater ownership in the business.

10. For business real estate owned by applicant, a completed Environmental Certification Questionnaire.

11. Copy of property mortgage or lease, or other demonstration as appropriate of ownership or control over proposed service location.

12. Demonstration of zoning clearance supporting and allowing child care/early child education property usage.

13. If applicable, the following documentation shall be received and reviewed by EDC-VC:

    a) Current entity formation documents as required;
    b) Proof of Hazard and Liability Insurance (declaration pages);
    c) Copy of Business License.

LOAN PAYMENT, INITIAL DISBURSEMENT:

1. EDC-VC submits to First 5 Executive Director a loan fund disbursement request.

2. The request for approval and disbursement shall include all loan documents, the Loan Board minutes, the approved Credit Memorandum and signed commitment letter.

3. Loan document requires the signature of the First 5 Executive Director.

4. Loan funds are issued by First 5 to the EDC-VC for disbursement to the approved loan recipient.

<u>SERVICING PROCEDURES</u>:

EDC-VC shall adhere to the following procedures regarding loan payment and servicing procedures:

1. EDC-VC will, on an annual basis, provide monthly payment coupons to each borrower.

2. Loan principal and interest payments will be made payable to "EDC-VC", and mailed to:

   Attn: Fiscal Administrator
   Economic Development Collaborative – Ventura County
   1601 Carmen Drive, Suite 215
   Camarillo, CA 93010

3. EDC-VC will deposit loan payments into a segregated checking account. Within 15 business days of the end of each quarter EDC-VC will send the loan principal and interest payments, any origination fees collected, and any interest earned from the segregated account deposits, directly to First 5.

4. EDC-VC will produce and review monthly reports of disbursements, receipts of principal and interest, and any past due accounts.

5. Late fees shall be $100.00 for each late payment. The borrower may request late fee(s) be waived with a written request submitted to EDC-VC with an explanation of extenuating circumstances. EDC-VC staff may waive late fees up to $300 per year, provided the loan is brought current. Waiving of late fees over $300 per year shall be approved by the Loan Board, provided the loan is brought current. EDC-VC shall report on any late fees that were waived in the quarterly financial/program report.

6. EDC-VC will provide First 5 quarterly financial and program income reports, including individual account status, accounting of loan principal and interest repaid, data on the retention and increase of child care or early child education spaces, and other program performance reports as may be requested by First 5.

7. EDC-VC will conduct formal site visits annually, or, if the situation warrants, more frequent site visits may also be conducted.

8. EDC-VC will request from borrower and review all applicable financial statements and tax returns as stipulated in each loan's terms and conditions.

9. Any miscellaneous servicing requirements, which may or may not be listed herewith.

<u>COLLECTION AND DEFAULT PROCEDURES:</u>

EDC-VC shall adhere to the following procedures regarding loan payment collection and loan default procedures:

1. When a required loan payment is not made when due, EDC-VC will contact the borrower within 5 business days to determine the nature of the problem.

2. EDC-VC will send a written notice of delinquent payment ten working days after due date with notification of late penalty to the borrower.

3. EDC-VC will send a second written notice 30 days after the due date.

4. EDC-VC will send a third written notice 60 days after the due date.

5. EDC-VC will send a fourth written notice 90 days after the due date.

6. Copies of the notification required in paragraphs 2 through 5, above, shall be sent to First 5.

7. During the first 90 days of delinquency, written and oral communication as well as site visits by EDC-VC will be utilized to resolve the delinquency. If, after 90 days, a delinquency still exists and the loan has not been renegotiated or brought current or foreclosed upon, the loan will be taken to the Loan Board for determination of default and recovery of the security.

8. At any time during this 90 day period that EDC-VC believes that the borrower cannot or will not bring the loan current, with Loan Board approval, the EDC-VC can declare the loan in default and begin recovery against the collateral.

9. EDC-VC staff, under the direction of the Loan Board, will exercise all lender's rights and privileges in order to collect the proceeds on delinquent loans. To ensure that the delinquent loan is collected in an appropriate, efficient, and timely manner, EDC-VC will:

   a. Prepare a plan of action for approval by the Loan Board for collecting the loan and taking action against the collateral.

   b. Make sure all required documentation is in order.

   c. As appropriate, coordinate collection efforts with First 5 and its legal counsel or collection agent as appropriate, and otherwise take reasonable steps to ensure that no laws or regulations will be violated by the collection effort.

   d. Notify any guarantors of the default and put them on notice that they are expected to make payment, in full, upon demand.

   e. Begin collection procedures and/or asset liquidation processes.

10. The Loan Board may bring a loan write-off recommendation to First 5 for remaining balances of loans that have been placed in default and remain outstanding after 180 days. First 5 has final approval on loan write-off actions. In the event a loan is written off, collection efforts will continue until it is determined not to be cost effective or prospects for any recovery no longer exist.

<u>PROGRAM GUIDELINES</u>:

EDC-VC shall administer the Community Investment Loan Fund in compliance with (and require applicants' compliance with) the following guidelines.

Initiating the Application:

Applicants will be pre-screened for program eligibility by EDC-VC and First 5. Once eligibility is determined, EDC-VC will begin loan qualification and processing.

A formal business plan is required as a part of the application process. A limited amount of business plan development assistance is available at no cost to the applicant from the EDC-VC Business Enhancement Program. The applicant may also be referred to First 5 for coordinating professional review or referred directly to other professional child care resources for assistance.

Application/Loan Fees:

The applicant is required to pay all associated out-of-pocket costs for the loan service (e.g., credit reports, other credit and collateral documentation). EDC-VC shall collect and retain payment from applicants to offset its (EDC-VC's) out-of pocket expenses incurred for such credit reports and other credit and collateral documentation. Origination fees are set at $500 for planning loans and 2% of the loan amount for construction or amortizing loans. Origination fees may be waived when converting from a construction loan to an amortizing loan. Origination fees will be collected by EDC-VC and paid to First 5, as per Servicing Procedures outlined above.

Loan Administration:

The EDC-VC will provide the following services:

- Process and package the loan applications;
- Approval of loan packages;
- Administer the loan-servicing program.

Administrative efforts will be minimized through the use of "standard form" documents. The EDC-VC will collect loan repayments and remit all repayments and interest to First 5 monthly as outlined in the Servicing Procedures section above.

Terms:

The term of the loan shall be determined on a case-by-case basis, with the following limits:

- Planning loans are short term loans, a maximum of two years, amortized.
- Construction loans are a maximum of two years, amortized.
- Amortizing loans have a maximum amortization of 20 years, repayment periods of up to seven years, with terms negotiated on a case-by-case basis.

Further detail on loan products is provided in the attached Loan Terms and Program Guidelines.

Security:

A Promissory Note to the First 5 may be secured by a Deed of Trust, which may be in a 2nd position. A Uniform Commercial Code 1 (UCC 1) filing will be recorded. A UCC 1 filing effectively places a lien on commercial and business assets for the purposes of securing the loan. This is registered with the State of California.

Community Investment Loan Fund loans will not exceed 75% of the total project cost.

Marketing:

EDC-VC and First 5 will coordinate the marketing program. Efforts will be directed to for profit businesses and organizations, including child care or school operators, employers and private developers; nonprofit organizations; public and private schools; public entities, elected officials, commercial realtors, Chambers of Commerce and local lenders.

Eligibility Criteria:

Eligible Applicants for the Loan Fund include for profit businesses and organizations, including child care or school operators, employers and private developers; nonprofit organizations; public and private schools; public entities.

Eligible projects must serve children ages 0-5 in Ventura County. Lending decisions for projects that propose serving mixed age children (0-5 and school age) may take into account the percentage of children ages 0-5 served with the requested funds, relative to the total population served and to the total project cost.

Interest Rate:

Interest Rates may range from two points below prime rate to two points over. Given commercial rates in late 2013, the estimated current average rate is 4.25%.

Use of Funds:

Loan proceeds may be used for the planning, acquisition, construction, expansion, rehabilitation and refinancing of new or existing licensed child care and preschool centers. *The intended outcome is a measurable increase in the number of spaces.*

Loan funds may *not* be used for operating capital.

Further detail on loan products is provided in the attached Loan Terms and Program Guidelines.

Loan Amounts:

Loan amounts vary per program aspect. Planning loans are limited to a maximum of $20,000. Construction loans are limited to a maximum of $800,000. Amortizing loans may range from a low of $15,000 to a maximum of $800,000.

Exceptions to loan limits may be approved by the Loan Board, with the prior approval, on a project by project basis, by First 5.

Applicant's Contractual Responsibility:

The borrower is responsible for repaying the entire loan plus interest in a timely manner, as stated in the loan agreement. All loan funds must go directly toward the approved project.

If a business fails to adhere to any contractual agreement with the First 5 and/or the EDC-VC, the loan will become due and payable in full. Other penalties may also be assessed as defined in the loan agreement.

UNDERWRITING GUIDELINES:

The purpose of the Community Investment Loan Fund is to increase the number of early child education and child care spaces. Toward this end, First 5 has made funds available to lend to businesses that may not qualify for conventional (bank) financing, or for applicants whose projects to expand the number of spaces may not be economically viable without access to affordable capital. The underwriting standards adapted by First 5 and EDC-VC through the Loan Board will consider all project criteria as a whole rather than focusing on one particular facet of the underwriting standards, which may lead to a decline of the application.

1. **Companion Loans.** All loans may be companion loans in combination with other loans from outside of First 5 sources or they may be direct loans made on a stand-alone basis. A companion loan may consist of a bank loan, SBA loan, or any other source of borrowed funds.

2. **Terms, Fees and Interest Rates.** See sections above and attached Loan Terms and Program Guidelines.

3. **Collateral.** Collateral may be, but is not limited to, equipment liens, UCC filing on business assets, real estate, and/or personal and/or corporate guarantees.

   Real estate property may be taken as an abundance of caution, with no appraisal required.

4. **Borrower Equity Contribution.** Loans will not exceed 75% of the total project cost. Borrower's equity must be at least 25% of the total project cost.

5. **Loan Loss Ratio.** Underwriting of loans is to be affected by the overall performance of the loan portfolio. If more than 25% of the loans in the portfolio are in collection or liquidation, underwriting standards must be tightened.

6. **Standards for Creating Number of Child Care or Early Child Education Spaces.** There is no set minimum standard, though the project goal is to increase the number of spaces on a significant scale. The amount of any loan will take into consideration the per dollar cost of new spaces created.

   Eligible projects must serve children ages 0-5 in Ventura County. Lending decisions for projects that propose serving mixed age children (0-5 and school age) may take into account the percentage of children ages 0-5 served with the requested funds, relative to the total population served and to the total project cost.

Ineligible Loan Activities

- Loans to businesses outside Ventura County.
- Loans for operating capital.
- Loans for the purpose of investing.
- Loans which would create a potential conflict-of-interest for any officer or employee of First 5 or EDC-VC, or any current member of the Loan Board or staff who reviews, approves, or otherwise participates in the decision on that specific loan.

THE LOAN APPROVAL PROCESS:

1. All identified potential Community Investment Fund loan applicants will be referred to the EDC-VC Loan Officer. EDC-VC staff will review the CILF Loan Terms and Program Guidelines document (attached) with all CILF loan applicants.

2. For projects that may be potentially eligible, EDC-VC will provide First 5 Ventura County a "project summary", which will include: contact information for the applicant; ownership type and listing of principals; amount requested source of the matching funds; a brief description of the business; use of funds; and current and projected child care spaces.

3. Relative to the target population (that is age of children served by the project and expansion of child care or early child education spaces) First 5 is responsible to make the eligibility determination.
4. Once the project is determined to be eligible, the Loan Officer may, as appropriate, refer the applicant to an individual or team of resources through EDC-VC and/or to First 5 or other child care/early child education professionalsfor business plan review and other assistance.

5. The referred individual or team of resources review the business plan, assist the applicant in completing its business plan (if needed), assist in identifying and maximizing child care/early child education resources.

6. The Loan Officer will begin initial review of the applicant's status and loan application, and will work with the applicant to assure EDC-VC's receipt of a complete application. Information required on the Application form includes contact information for the applicant, ownership type and listing of principals, amount requested source of the matching funds, a brief description of the business, use of funds, and current and projected child care spaces.

7. For an existing business the following is the minimum information needed:

    a. Current personal financial statements of the principals.

    b. Last three personal tax returns of the principals.

    c. Last three year's financials statements (balance sheet and profit and loss statement) of the business (if applicable).

    d. Financial projections for next three years.

    e. Last three year's tax returns of the business (if applicable).

    f. Interim business financial statements, less than 90 days old.

    g. Project description, including Sources and Uses of Funds statement.

    h. Business plan, including market analyses, feasibility study, etc.

10. For a start-up business, in addition to all of the above, as applicable, it must also furnish the following:

    a. Demonstration of management experience.

    b. Financial projections for next three (3) years, including quarterly projections for the first two (2) years.

    c. Satisfactory credit history.

11. It is the EDC-VC's responsibility, through its Loan Officer, to analyze the loan request and put it into a standardized form (Credit Memorandum) for presentation to First 5 Ventura County and the Loan Board. Consideration should be given to the following areas:

    a. Owners must have a satisfactory credit history. Based on a case-by-case examination the following areas should be considered: no bankruptcy within the past six years; charge-offs; repossessions; collections; Federal and State tax liens.

    b. Number of child care or early child education spaces to be created.

    c. Management experience in the same type of industry.

    d. Loans will not exceed 75% of the total project cost. Borrower's equity must be at least 25% of the total project cost.

    d. Probability of repayment, based on historical cash flow for existing businesses and projections for start-ups.

    e. Reasonable projected debt service coverage.

    f. Reasonable debt to worth.

    g. Proof of appropriate zoning for proposed facilities use.

    h. Demonstration of operating revenue, including short and long-term analyses of federal, state and local sources of child care or preschool payment.

    i. General conditions of the economy as a whole.

12. The Loan Officer will provide the completed Credit Memorandum to First 5 Ventura County for review and final eligibility determination before proceeding to the Loan Board.

13. The Loan Board will review all loan proposals that have been recommended by the Loan Officer. All loan applications must be approved by a majority vote of the Loan Board, with at least two banking or finance professionals participating in the loan recommendation.

14. The EDC-VC will convene the Loan Board when there is a loan proposal (or proposals) ready to be presented. Monthly meetings are not required.

15. Upon loan approval by the Loan Board the EDC-VC Loan Officer will prepare a commitment letter. The commitment letter is forwarded to First 5 for signature along with a copy of the appropriate Loan Board's minutes. EDC-VC will deliver the commitment letter to the applicant. The commitment letter explains the terms and conditions of the loan approval and requests the applicant acknowledge those terms and conditions.

16. Once the applicant has accepted the loan terms, the Loan Officer will draw up the loan documentation, as appropriate, for the borrower's signature. The signed documents are then forwarded to First 5 along with the signed commitment letter.

Ventura County Community Investment Loan Fund
Loan Program Purpose, Terms and Guidelines

Overview: There is a large gap between available quality child care and preschools in Ventura County and the community's need, leaving many—particularly working parents of young children—in a bind. To help remedy the situation, **First 5 Ventura County** and the **Economic Development Collaborative-Ventura County** are partnering on the Community Investment Loan Fund to benefit early education and child care in the county.

As a long-range economic development consideration, we know that children who attend preschool do better academically throughout their education. Investment in early child education and care helps assure a future generation of skilled workers and economic prosperity.

The purpose of the Community Investment Loan Fund is to provide below-market financing for the development of licensed quality child care and preschool facilities for Ventura County's children. The Loan Fund is designed to help increase the number of licensed child care and preschool spaces, by direct lending, by leveraging additional financing and investment, and by helping applicants get the maximum benefit of other limited resources.

Uses of Funds: Loan proceeds may be used for the planning, acquisition, construction, expansion, rehabilitation and refinancing of new or existing licensed child care and preschool centers. *The intended outcome is a measurable increase in the number of spaces.* **Loans may *not* be used for operating capital.**

Eligible Applicants for the Loan Fund include for profit businesses and organizations, including child care or school operators, employers and private developers; nonprofit organizations; public and private schools; public entities.

Financing and Business Plan Consultation: The Community Investment Loan Fund partners (EDC-VC and First 5 Ventura County) will secure and provide no-cost resources for financing consultation and for business plan review and refinement. Assistance may include:

- Identifying resources for public and private funding.
- Developing an effective loan and funding request.
- Guidance in preparing loan application documents.
- Liaison to city and county planning and permitting offices.
- Connection to other financing, child care and preschool community resources.

Rates & General Conditions:

- Rates for all loan products (see next page) may range from two points below prime rate to two points over. Given commercial rates in late 2009, the estimated current average rate is 4.0%.
- Solid and up-to-date business plan, credit history and clean financial statements.
- Evidence of sufficient collateral and assets to repay the debt financing.
- Eligible projects must serve children ages 0-5 in Ventura County. Lending decisions for projects that serve mixed age children (0-5 and school age) may take into account the percentage of children ages 0-5 served with requested funds, relative to the total population served and to the total project cost.
- Proof of appropriate zoning for proposed facilities use.
- Evidence of sufficient collateral and assets to repay the debt financing.

<u>Loan Products</u>: The Loan Fund includes three separate products, all intended to increase the number of licensed child care and preschool spaces in Ventura County:

- **Planning and Development Loans, Maximum $20,000.**
  - For early stage project readiness activities; may cover expenses including site and project feasibility, market analysis, financial analysis and fund development planning.
  - Short term loans, a maximum of two years, amortized.
  - Origination fees include out-of-pocket expenses plus $500.
  - Should the planning and development process lead to acquisition, construction or rehabilitation, the intent is to convert this debt into a longer-term construction or a permanent loan.
  - Consideration of making a planning loan is contingent upon a high probability of the project converting to acquisition, expansion, rehabilitation or construction.

- **Interest Only Construction Loans, Maximum $800,000.**
  - These loans are to support acquisition, rehabilitation, renovation, construction, and bridge financing, providing capital on a short-term basis until the project can be financed by a permanent loan.
  - Terms may include deferred interest and repayment periods of up to two years, with a balloon payment due at the end of the repayment period
  - Origination fees include out-of-pocket expenses plus 2% of the loan amount.
  - Applicants must have a sound business plan, including up-to-date market analyses and feasibility studies, facilities development and operating budgets, and a credible and established development and management team.
  - Demonstration of operating revenue, including short and long-term analyses of federal, state and local sources of child care or preschool payment.
  - Loans will not exceed 75% of total project cost.

- **Amortizing Loans, Minimum $15,000, Maximum $800,000.**
  - These loans provide permanent financing for projects that successfully complete the facilities development process.
  - Loans may be used to repay bridge financing, for debt restructuring, for acquisition, construction, and rehabilitation loans and for facilities and playground equipment.
  - Origination fees include out-of-pocket expenses plus 2% of the loan amount (fees may be waived for converting from CILF Construction Loan to Amortizing Loan).
  - Loans have a maximum amortization of 20 years, repayment periods of up to seven years, with terms negotiated on a case-by-case basis.
  - Applicants must have a sound business plan, including up-to-date market analyses and feasibility studies, facilities development and operating budgets, and a credible and established development and management team.
  - Demonstration of operating revenue, including short and long-term analyses of federal, state and local sources of child care or preschool payment.
  - Loans will not exceed 75% of total project cost.
  - License as a condition of release of funds for long-term financing.

For further information, contact Bruce Stenslie, President/CEO, EDC-VC, 805-384-1800, x 24, bruce.stenslie@edc-vc.com.