Phase I: Planning
Steps #1 – 4 Summary

Step #1: Research and Attend Community Care Licensing ("Licensing") Orientation
The operator must first attend a Licensing Child Care Center Orientation. For a list of Licensing Orientations, contact Los Angeles Child Care East Regional Office (Monterey Park), Los Angeles Child Care Northwest Regional Office (Culver City), or the local Resource and Referral program. For additional details regarding Step #1, see Step #1 below.

Step #2: Analyze Child Care Needs
The operator must engage in market research to estimate the number of families in the area needing services at the rate the operator will charge. Further, the operator must decide whether the offered services will target low-income, middle-income, or affluent families. This decision will impact the development of an operating budget and the rates charged for services. In addition, the decision will affect plans to apply for state funding (when it becomes available) and whether the operator accepts subsidy payments for care on behalf of eligible families. Moreover, the operator must determine what age groups to care for. This will largely be influenced by local demand, and it will also affect the requirements for staffing and room size. Finally, the operator must carefully assess what rates to charge so as to generate enough revenues to meet the costs of operating expenses and the debt incurred by the facility’s development. For additional details regarding Step #2, see Step #2 below.

Step #3: Study Project Feasibility and Write Business Plan
The operator should begin to write a business plan. As part of the business plan, the operator will need to estimate the overall start-up cost of the facility development process. A contractor can help with these estimates (see step #14). The operator must consider various expenses, including: soft costs (design, permits, legal fees, financing fees), hard costs (acquisition of site, construction, equipment), hidden costs (staff and board time and attention), contingency costs (a portion of construction costs set aside to cover unexpected costs), and lost income (if the program has to close for any period of time during construction). Further, the operator must design an operating budget for the child care business by identifying expected revenues (incoming money from fees, subsidy payments, etc.). The operator should identify the financing needed to cover start up and operating budgets, keeping in mind that these projections might need to be adjusted as the operator discovers more details about incoming revenues. For additional details regarding Step #3, see Step #3 below.

Step #4: Obtain Pre-Development Funding
The operator should analyze his or her ability to be considered for financing (i.e. loans) by determining debt capacity. The operator needs to have enough working capital (cash available to fill in the gap between revenue and expenses) in order to cover operating expenses for a period of time. The operator should research grant applications and in-kind donations, and the operator should also identify donor relationships and investigate new donor relationships for grants and donations of equipment, building supplies, toys, furniture, etc. It is also advisable to research potential partnerships with community organizations (such as churches and schools) that might be able to collaborate with the operator to provide certain services and share expenses. The operator should also determine the facility’s legal structure as a nonprofit or for profit child care program, as this will directly affect the approach to obtaining financing. For additional details regarding Step #4, see Step #4 below.
Step #1:
Research and Attend a Community Care Licensing (Licensing) Child Care Center Orientation

In order to open a child care center, an operator must attend a Licensing Child Care Center Orientation. During these orientations, child care operators learn the California rules and regulations that govern child care center day-to-day operations, amongst other requirements. Operators should contact the California Community Care Licensing Division for more information.

Available Resources for Step #1: Research and Attend a Licensing Child Care Center Orientation

1. Community Care Licensing  [www.c lcd.ca.gov; www.clcd.ca.gov/PG411.htm](http://www.clcd.ca.gov/PG411.htm)

Community Care Licensing, a division of the California Department of Social Services, issues licenses and provides oversight for family child care homes and child care centers. All potential operators should attend a licensing orientation to gain a better understanding of the child care center requirements. For a schedule of local child care center licensing orientations, visit [http://www.clcd.ca.gov/PG534.htm](http://www.clcd.ca.gov/PG534.htm). You can either register for an online orientation or click on your nearest regional office for in-person orientations.

In Los Angeles County, contact the Los Angeles Child Care East Regional Office in Monterey Park at (323) 981-3350 or the Los Angeles Child Care Northwest Regional Office in Culver City at (310) 337-4333 to get more information.
Step #2: Analyze Child Care Needs

The second step to opening a child care center is to analyze child care needs in the areas you are considering opening a child care center. To analyze child care needs means that the operator must determine the demand for child care in a given geographical region. It is important to analyze child care needs in the area so that the operator is providing a service for which there is a need. Accordingly, the operator must engage in market research to estimate the number of families in the area demanding services and whether the income of these families is sufficient to cover the rate the operator will charge. Further, the operator must decide whether the offered services will target low-income, middle-income, or affluent families, as well as what age groups to care for. The operator must also carefully assess what rates to charge so as to generate enough revenue to meet the costs of operating expenses and the debt incurred by the facility's development. This initial research and analysis will inform the operator as to whether or not there is a need for child care services in the area as well as whether or not the facility can operate as a successful business.

The following are suggestions to help operators analyze child care needs (not all inclusive):

Market Demand
The operator must estimate the number of families demanding services in the geographic area that the operator will target. Specifically, the operator must determine the number of people who not only need the services, but also those who can pay the operator's rates. The operator should contact the local Resource and Referral Agency (R&R) to find out about the requests for child care as well as the existing supply of child care in the area.

Income Level of Clients
The operator must determine whether the child care services will target low-income, middle-income, or affluent families. This decision will impact the development of an operating budget and the rates charged for services. In addition, the decision will affect plans to apply for state funding (when it becomes available) and whether the operator accepts subsidy payments for care on behalf of eligible families.

Age Group of Clients
The operator must decide which age group to care for. This decision is very important, as it will affect the actual demand for services, the number of staff it will be necessary to hire, and the size of the facility. These determinations will affect which site the operator selects for the facility as well as the operator's budget.

Rates to Charge Clients
The operator will need to determine what rates to charge clients. This decision is critical, because the operator must charge rates that will generate enough revenues to meet the costs of operating and the debt incurred by the facility development project. The operator must also, however, be mindful

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of the clients’ abilities to pay the rates that the operator charges. For more information regarding setting rates, please see resource number 4 below.

### Available Resources for Step #2: Analyze Child Care Needs

1. **Resource & Referral Agencies (R&R) [www.crnetwork.org](http://www.crnetwork.org)**

   Resource & Referral agencies are located in every county in California. They offer information, technical guidance, and resources that support parents, operators and local communities. Available resources are useful for finding, planning, and providing affordable and quality child care. By calling the R&R, the operator can learn how to analyze child care needs in a given area.


   The Los Angeles County Child Care Resource and Referral Services Map can assist the operator in determining which R & R to contact for information about child care needs and market demand in a given area.

3. **Child Care Planning Committee [ceo.lacounty.gov/ccp/ccpc.htm](http://ceo.lacounty.gov/ccp/ccpc.htm)**

   The Child Care Planning Committee provides statistics and resources for child care in Los Angeles County. The Committee's mission is to engage parents, child care operators, allied organizations, communities, and public agencies in collaborative planning efforts to improve the overall child care infrastructure of the County of Los Angeles, including the quality, affordability, and accessibility of child care and development services for all families. The Child Care Planning Committee conducts a countywide needs assessment on the availability of early care and education throughout Los Angeles County every 5 years. The latest needs assessment can be found here: [ceo.lacounty.gov/ccp/pub.htm](http://ceo.lacounty.gov/ccp/pub.htm).


   Since the late 1980s, the California Child Care Resource and Referral Network has conducted Regional Market Rate (RMR) surveys to determine market prices for licensed child care programs across California. The survey determines the market rate based on geographic location (county); type of child care setting (centers, family child care homes or license-exempt); the amount of care provided and payment schedule; and the ages of children served.

   The purpose of the Regional Market Rate survey is to calculate the market rates for child care in each of California’s 58 counties. The State then uses these rates to establish.
maximum child care reimbursement rates, known as the reimbursement ceilings, for child care services to families in various state and federal subsidized child care programs administered by the county welfare department and other Alternative Payment or voucher programs. Operators can use the regional market rate information to determine what rate to charge clients. The most recent regional market rates for child care by county, type of child care setting, age of children served, and amount of care provided may be found by visiting the above website.

5. **Child Care Alliance of Los Angeles (CCALA)** [www.ccala.net](http://www.ccala.net)

The Child Care Alliance of Los Angeles (CCALA) website provides an array of information regarding child care services and those provided by the 10 Resource & Referral (R&R) and/or Alternative Payment agencies throughout Los Angeles County. The Alliance’s mission is to make quality child care and early education, and school readiness services accessible to all families in Los Angeles County through an alliance of community focused Alternative Payment and Resource & Referral agencies.


The American Community Survey provides population and demographic information based on surveys sent to a sample of the population and helps communities determine where to locate services and allocate resources. This website allows the operator to search for population data by county, place, congressional district, school district and other categories.
Step #3: Study Project Feasibility and Write Business Plan

The third step the operator should undertake is to study the project feasibility. This means that the operator must determine whether he or she can financially go through with the development of a child care facility. Initially, the operator should begin to write a business plan and estimate the overall start-up cost of the project. Further, the operator must design an operating budget for the child care business by identifying expected revenues and expenses. The operator must also identify the financing needed to cover start up and operating budgets, keeping in mind that these projections might need to be adjusted as the operator discovers more details about incoming revenues. Finally, the operator must determine the legal structure of the organization that will be operating the child care center.

The following are suggestions to help operators study the project’s feasibility (not all inclusive):

Begin to Write a Business Plan
It is important that the operator create a comprehensive business plan. A business plan is a formal statement of a set of business goals, the reasons why the operator believes the goals are attainable, and the plan for reaching those goals. It may also contain background information about the organization or team attempting to reach those goals. A business plan will allow the operator to test the financial feasibility of the project, which will give the new business the best chance of success. Moreover, a complete business plan will assist the operator in securing funding by attracting investors. The operator should contact the Small Business Administration to find out what local resources are available in assisting with the development of a business plan.

Estimate Cost of Facility Development
The operator must estimate how much it will cost to develop the facility. The operator should consider all of the costs involved with development, including: soft costs (design, permits, legal fees, financing fees, etc.), hard costs (site acquisition, construction, equipment, etc.), hidden costs (staff and board time and attention, etc.), contingency costs (a portion of construction costs set aside to cover unexpected costs), and lost income (if the program has to close for any period of time during construction). A contractor can help with these estimates (see step #14).

Create an Operating Budget
The operator must design or update an operating budget for the child care business. An operating budget is a detailed projection of all estimated income and expenses based on forecasted revenue during a given period. In doing so, the operator should identify the expected revenues, but he or she should not anticipate that the program will reach full enrollment at the outset. It usually takes at least six months to reach full enrollment, and enrollment will often fluctuate throughout the year.
Obtain Adequate Working Capital
The operator must be sure to have sufficient working capital. Working capital is the operating liquidity (cash) available to a business. Working capital is calculated as current assets minus current liabilities. It is best to have a large cash reserve, if possible, to prepare for any cash flow problems that might occur, especially for new programs.

Determine Legal Structure of Organization
It is important that the operator decide whether to organize as a nonprofit or a for-profit child care program, because this decision will affect financing eligibility. To become a nonprofit organization, the operator must establish a board of directors, and file for 501(c)(3) tax exempt status with the Internal Revenue Service (IRS). Being a nonprofit may be a qualifying criterion for applying for grants. To become a for-profit organization, the operator must decide whether to form as a sole proprietorship, a general partnership, a limited partnership, a corporation, an “S” corporation, or a limited liability company. An operator should not make this decision lightly, and it is highly recommended that an operator consult with an attorney before deciding what legal structure will be most appropriate for their business.

Available Resources for Step #3: Study Project Feasibility


   The United States Small Business Administration (SBA) is a federal agency that aids, counsels, assists, and protects the interests of small businesses. The SBA provides financial assistance, online training in a variety of fields, and information on legal registrations and regulations. By contacting the SBA, the operator can learn about how to open a small business and write a business plan. The website has a number of articles on how to create a business plan here: www.sba.gov/writing-business-plan.

   The SBA has published an in-depth guide entitled “How to Start a Quality Child Care Business” with helpful information such as tax laws, insurance, sample budget plans, advertising techniques, etc. The guide can be found online here: www.sba.gov/sites/default/files/files/pub_mp29.pdf.

   The following is the link to the SBA’s free online courses: www.sba.gov/tools/sba-learning-center/search/training.

2. SCORE Los Angeles  www.scorela.org

   SCORE Los Angeles, which has approximately thirty locations in Los Angeles County, provides free one on one and online counseling to small businesses. By contacting SCORE, the operator can obtain free counseling on how to open a small business and write a business plan. The website also offers resources such as information on different

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organizations that assist businesses and sample business plan outlines here: www.scorela.org/helpful-links-and-documents/

3. Small Business Development Centers smallbizla.org; www.percorp.org

Small business development centers (SBDC) provide both educational and consulting programs and may be able to offer loans to small businesses. The operator can learn about opening a small business and receive feedback from an SBDC on the feasibility of the new business.

4. Los Angeles BusinessSource Centers www.losangelesworks.org/businessServices/BusinessSourceCenters.cfm

Los Angeles BusinessSource Centers provide business advice through one-on-one consulting as well as assistance in the areas of small business financing, employee hiring and work force development, business plan development, and tax incentives and credits. They also offer training through business courses such as fiscal management, marketing, employee training and accounting courses, among others. Most of their services are provided at no cost to business owners and entrepreneurs in the City of Los Angeles.

5. New Economics for Women www.neweconomicsforwomen.org

New Economics for Women develops child care facilities in partnership with other agencies in Los Angeles. NEW has partnered with the United Way of Greater Los Angeles to help low income individuals and families with microenterprise businesses. Through financial literacy and asset specific education training, participants will be prepared to start or expand a business. As part of the program, individuals must save money every month and funds are matched to provide incentives to achieve their goals. You must meet specific qualifications to be eligible for this assistance.


PACE is a community development organization that helps with business development in the Pacific Asian and other diverse communities. PACE’s scope of services includes workforce development, housing services and development, business assistance, and early childhood education. By contacting PACE, operators can obtain one-on-one counseling and assistance with securing a loan.

7. Community Partners www.communitypartners.org

Community Partners offers critical support to people with innovative ideas in community development. Specifically, by contacting Community Partners, an operator can learn about leadership development, attend training workshops, and build a network that will help the operator strengthen their capacity to engage in facility and program development.
8. **Los Angeles County Economic Development Corporation (LAEDC)** [www.laedc.org](http://www.laedc.org)

   The LAEDC offers assistance in various areas of child care facility development. By contacting LAEDC, the operator can learn about site selection, workforce resources, incentive packages, permits, licenses, zoning and local industry analyses for companies expanding or relocating in Los Angeles County.

9. **Child Care Center: Financial Planning and Facilities Development Manual**

   The Insight Center for Community Economic Development published the Financial Planning and Facilities Development Manual which is designed to help operators understand the financial side of their businesses. Specifically, the manual will help operators learn how to use a budget, how to use financial statements, and how to understand the financial status of a business.

10. **Environmental Testing** [www.geononcinc.com; www.rinconconsultants.com](http://www.geononcinc.com; www.rinconconsultants.com)

   Operators will likely need to have an environmental test done on a site that will be developed from the ground up or will require major renovations. These resources provide operators with assistance with environmental impact assessment, environmental planning, biological resources, soil assessment, and remediation. This is an important part of studying the project's feasibility because environmental testing can be very expensive.

11. **Public Counsel** [www.publiccounsel.org](http://www.publiccounsel.org)

   Public Counsel is the largest pro bono law firm in the nation and has nine different practice areas. The Early Care and Education (“ECE”) Law Unit advocates on behalf of the child care community to increase the quantity and quality of child care. The ECE Law Unit provides free legal services to qualifying family child care providers and child care centers. Find more information regarding the legal services provided by the ECE Law Unit here: [http://www.publiccounsel.org/practice_areas/early_childhood_care_and_education](http://www.publiccounsel.org/practice_areas/early_childhood_care_and_education)

12. **City of Los Angeles Department of Building and Safety (LADBS)** [www.ladbs.org](http://www.ladbs.org)

   The LADBS implements the Zoning, Building, Plumbing, Mechanical, and Electrical Codes, as well as Engineering, Energy, and Disabled Access regulations, and local and State laws for construction and maintenance of commercial, industrial, and residential buildings. By contacting the LADBS, an operator can obtain information on permits related to zoning, building, plumbing, and electrical codes, as well as engineering, energy, disabled access regulations, and local and state laws. The LADBS offers a tool called the Parcel Profile Report which allows easy access and a visual display of city parcel legal and zoning information here: [www.ladbsservices2.lacity.org/OnlineServices/](http://www.ladbsservices2.lacity.org/OnlineServices/).

13. **The Foundation Center** [foundationcenter.org/getstarted/tutorials/establish/tax.html](http://foundationcenter.org/getstarted/tutorials/establish/tax.html)

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The Foundation Center provides assistance to nonprofit organizations. Specifically, an operator can contact the Foundation for information on how to apply for tax exemption. The website includes a 1023 application to file with the IRS, which is a required step to become a 501(c)(3) tax-exempt nonprofit organization.

14. Center for Nonprofit Management  
www.cmssocial.org

The Center for Nonprofit Management aims to foster healthy neighborhoods and communities by improving the performance of nonprofit organizations that address critical issues and serve underserved populations in Southern California. An operator can contact the Center for information on how to start and effectively operate a nonprofit organization, as well as information on how to become a nonprofit and how to file for tax exempt status with the IRS.

15. Home-Based Business Fact Sheet – How to Organize Your Business  
extension.umaine.edu/publications/3009e/

This Home-Based Business Fact Sheet provides information to help the operator decide whether to organize their business as a sole proprietorship, a general partnership, a limited partnership, a corporation, an “S” corporation, or a limited liability company. The fact sheet includes the advantages and disadvantages of these various business entities. Other Home-Based Business Fact Sheets on topics such as capital sources, insurance, and business plans can be found here: umaine.edu/extension/online-small-business-library/umce-home-based-business-fact-sheet/.

16. The California Secretary of State Business Entities Section  
www.sos.ca.gov/business-programs/business-entities/

The Business Entities Section of the Secretary of State’s office provides informational materials as well as samples and forms needed to meet filing requirements for various business entities. The samples and forms have been drafted to meet the minimum statutory filing requirements, and can be found here: www.sos.ca.gov/business-programs/business-entities/forms/.
Step #4:
Obtain Predevelopment Funding

The fourth step is to obtain predevelopment funding. Predevelopment funding is the funding that the operator will need to cover feasibility studies, business plan development, permits, and architectural services. It is essential that the operator identify adequate predevelopment funding for the project, because the operator needs to have enough working capital to cover initial expenses (see step #9). The operator must understand his or her ability to apply for funding and identify committed and potential donors. During this time, the operator must complete grant applications and seek in-kind donations.

The following are suggestions to help operators obtain predevelopment funding (not all inclusive):

**Identify Financing Sources and Analyze Ability to Obtain Funding**
It is important for the operator to identify potential sources for funding that will be sufficient to cover the start-up budget (the budget expressing the amount of money needed to cover predevelopment costs) and the operating budgets (the budget expressing the amount of money needed to run the business on a day-to-day basis). The operator should also keep in mind that the operating budget may need to be adjusted as details about specific revenues are finalized. Moreover, the operator will need to analyze the ability to apply for financing by determining his or her debt capacity.

**Identify and Research Potential Donors**
The operator must identify known donors and seek out potential donors for development grants and donations of toys, equipment, furniture, building supplies, etc. (Note these costs should be part of the “start up budget” and not the operating budget.) Furthermore, the operator may be able to partner with other child care programs and/or community organizations, such as churches, hospitals, and schools, to provide certain services and share expenses. The operator will need to obtain enough money to cover an initial working capital, and the operator should keep in mind that many lenders do not make working capital loans (see step #9).

**Typical Loan Terms**
The operator should look for either a loan that is specifically designed for predevelopment purposes or a short term loan that the lender will grant as a part of a loan for acquisition or construction. Generally, conventional lenders and Community Development Financial Institutions (CDFI) do not issue predevelopment loans unless the project is large in scope (such as a million dollar predevelopment loan). However, many banks and CDFIs will issue short term loans (usually with terms of twenty-four months or less), and these loans can include predevelopment costs. Borrowers should look for low interest rates. This is not always easy, however, because many lenders see these loans as fairly risky. The borrower should make every effort to present the potential lender with a solid, well organized, and well prepared business plan (see Step #3). This will greatly increase the likelihood that the borrower receives a loan and that the borrower receives the loan at a lower interest rate.
Available Resources for Step #4: Obtain Predevelopment Funding

1. **Low Income Investment Fund (LIIF)** [www.liifund.org](http://www.liifund.org)

   LIIF occasionally offers interest-only predevelopment loans of up to one million dollars. These loans are designed to enable worthwhile facilities projects to come to fruition, providing capital on an interim basis until the project can be financed with a permanent loan. They can be used for real estate acquisition, construction, and rehabilitation. However, LIIF typically does not issue predevelopment loans unless the project is large in scope. LIIF will issue short term loans (twenty-four month term or less) for site acquisition or construction and nonprofit and for-profit entities are welcome to apply. LIIF and the borrower can agree that the short-term loan can encompasses predevelopment costs.


   One specific LIIF publication entitled “A Guide to Underwriting Child Care” explains the basics to underwriting child care based on the 5 C’s of credit. By reading this guide, the operator will learn what a bank looks at when considering the capacity of a child care business to carry debt. The guide takes the operator through a bank’s considerations for the borrower’s cash flow (capacity to repay), character (capacity to be a responsible borrower), capital, collateral, and credit history. This guide can be found here: [www.liifund.org/wp-content/uploads/2015/05/22-Understanding-Principles.pdf](http://www.liifund.org/wp-content/uploads/2015/05/22-Understanding-Principles.pdf).


   VEDC is a member of the Opportunity Finance Network which is the leading national network of community development financial institutions investing in opportunities that benefit low-income, low-wealth, and other disadvantaged communities across the United States. VEDC acquired the California Economic Development Lending Initiative loan portfolio in 2015. VEDC provides loans and micro-financing to small businesses, particularly those owned by women and minorities that do not qualify for traditional bank financing.

3. **Local Initiatives Support Corporation (LISC)** [www.lisc.org/los_angeles](http://www.lisc.org/los_angeles)

   LISC helps resident-led, community-based development organizations transform distressed communities and neighborhoods into healthy ones. LISC supports the development of local leadership and the creation of affordable housing, industrial and community facilities.

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businesses, and jobs. Operators can contact LISC for information on obtaining capital, technical expertise, and training.

4. **Potential Grant Resources for Child Care Facilities Development in California**
   www.buildingchildcare.org/uploads/pdfs/GRANTLIST9-08FINAL.pdf

The Building Child Care (BCC) Project provides a centralized clearinghouse of information and services to increase the California child care sector’s understanding of the facilities development process and access to facility development resources. BCC created this matrix, which contains a list of foundations that have a history or interest in funding child care facilities development projects.

5. **Statewide Private Foundations and Corporate Grant-Making List**
   labusinessconnect.com/uploads/files/Business%20Finance%20link/List%20of%20Foundations.doc

This resource lists grant-making organizations for child care and after school programs.

6. **The Weingart Foundation** www.weingartfdn.org

The Weingart Foundation makes grants to assist organizations that work in the areas of health, human services, and education. The Foundation gives highest priority to activities that provide greater access to people who are economically disadvantaged and underserved. Of particular interest to the Foundation are applications that specifically address the needs of low-income children and youth, older adults, and people affected by disabilities and homelessness. Preference is given to organizations providing services in the following six Southern California counties: Los Angeles, Orange, Riverside, Santa Barbara, San Bernardino, and Ventura. An organization that is certified as tax exempt under Section 501(c) (3) of the U.S. Internal Revenue Code and is not a private foundation as defined in section 509(a) of that Code is eligible for consideration.

7. **The Jewish Free Loan Association (JFLA)** www.jfla.org/loan-programs/small-business-loans/

The Jewish Free Loan Association is an interest-free micro-lending agency. Since its inception in 1904, JFLA’s Micro-Enterprise Loan Programs have distributed over $4.5 million in interest-free loans to entrepreneurs throughout Greater Los Angeles. Loans are considered on a case-by-case basis and can be up to $15,000 maximum. Applicants do not need to be Jewish to be considered for a loan, but they do need to be residents of Los Angeles County.

8. **Pacific Coast Regional Small Business Development Corporation (PCR) Loan Programs**
   www.pcrcorp.org/finance/index.htm

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PCR offers a variety of loan programs and works with approximately 35 banks throughout Southern California. More information about PCR’s loan programs can be found here: www.pcrcorp.org/#/loans/c1868.

9. The Ahmanson Foundation theahmansonfoundation.org/

The Ahmanson Foundation reviews grant requests from 501(c)(3) organizations that are based in and serving Los Angeles County. The common types of funding support include construction and renovations; property acquisitions; equipment and furnishings; transportation vehicles; technology and infrastructure; software, books, and supplies.

10. Los Angeles County Community Development Commission (CDC) www.lacdc.org/for-businesses/county-business-loan-programs

The CDC offers a variety of low-interest loans for a wide range of businesses, large and small, commercial to industrial, that may not qualify for conventional financing. Loan amounts range from $25,000 to $1,000,000. There are three programs which may be of particular interest to operators:

(1) The County Business Loan Program is a revolving loan fund that assists companies with their expansion and development. Loan proceeds may be used for equipment, construction, real estate and working capital. Loan assistance is available to existing and start-up, small and medium sized businesses in Los Angeles County.

(2) The County Business Expansion Loan Program provides financial assistance to small and medium sized businesses to create and expand permanent job opportunities and promote economic development in Los Angeles County. Loan proceeds may be used for equipment, real estate, construction and working capital.

(3) The County Float Loan Program provides short-term, interim, interest only financing for businesses, and public agencies. Loan proceeds may be used for equipment, land acquisition, construction, and working capital. This loan is available in unincorporated county area, and participating Community Development Block Grant (CDBG) cities.