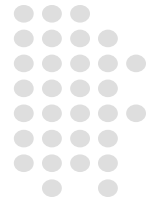


Central Market Cultural District Loan Fund

The **Central Market Cultural District Loan Fund (CDLF)** will enable the City and County of San Francisco to provide \$11 million in HUD Section 108-guaranteed loan proceeds to support eligible projects that will contribute to the stabilization and revitalization of the Central Market and Tenderloin area. A primary emphasis will be on financing businesses and development projects that will enhance the area's cultural arts and entertainment functions, building on the economic assets already there and focusing on industries that have the ability to create and/or retain jobs for low- and moderate-income people.



The following terms are subject to change:

Loan Amounts	\$250,000 to \$1 million, with special cases going as low as \$50,000 and as high as \$4 million. Loan financing limits are dependent on transaction size.
Loan to Value	The maximum loan to value is 80% based on current appraisals (no more than 90 days old) and reflecting fair market value.
Subordination	As long as the transaction conforms to the loan to value maximum, Section 108 loan may be subordinated in collateral.
Interest Rates	Interest rates are one percent (1%) over the City's cost of funds. The cost of funds is approximately 60 basis points over the 10-year Treasury rate. For example, as of June 2, 2010, the cost to the borrower would be 4.95% = 1% plus .60 plus 3.35% (10-year treasury rate as of 6/2/2010).
Term	Up to 20 year maximum based on, but not limited to, cash flow, collateral, use of funds, and equity.
Geographic Scope	Slightly north and south of Market Street from 5 th to 10 th Streets and Tenderloin area within approximate boundaries of Mason, O'Farrell, and Larkin Streets. <i>See map below.</i>

Basic Eligibility Requirements

- For-profit or nonprofit commercial endeavors that will generate new jobs for low- and moderate-income people as a result of this investment.
- Loan may be to a property owner or a tenant, at the City's discretion.
- Priority will be given to businesses that anchor or complement the cultural district.

Ineligible Businesses

- Adult Bookstores, theaters or adult/companion escort or entertainment services.
- Liquor stores (convenience or grocery stores with alcohol more than 15% of inventory)
- Check cashing businesses and pawn shops.
- Uses that have led to recurrent problems of public safety and welfare or that contribute to conditions to blight.

Eligible Loan Uses

- Acquisition of real estate; new construction or rehabilitation; tenant and/or leasehold improvements
- Soft costs (such as legal and loan fees)
- Working capital; inventory purchase, purchase of equipment and machinery
- Management assistance to enable the business to carry out the project

Loan Fees

A one percent (1%) loan fee is assessed on the loan amount. Borrower is also responsible for the appraisal, title, and other out-of-pocket expenses related to loan processing, approval and documentation.

Job creation and retention requirement

It is a goal of the CDLF to create or retain quality permanent jobs as a result of the financial assistance provided. Section 108 program guidelines require a minimum of one permanent full-time equivalent (FTE) job for every \$50,000 in loan proceeds.

A job created is a new permanent position created and filled. A job retained is an existing position that would have been lost were it not for the Section 108 loan proceeds. Part-time and seasonal employment positions are eligible. Only compensated employment should be reported.

Job transfers resulting from businesses relocating to the Mid Market and Tenderloin area do not satisfy the job creation and retention requirement.

A list of jobs including job descriptions, full-time equivalency, and employee names should be available for review during the term of the project until job requirements are met. Businesses may have up to five years from completion of project to meet job creation requirements.

For more information and application, contact Amy Cohen

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