

LADF

LOS ANGELES DEVELOPMENT FUND

**Special Meeting *of the*
Governing Board of Directors *and*
Advisory Board of Directors *of***

**The Los Angeles Development Fund
and
LADF Management, Inc.**

March 23, 2018

SPECIAL MEETING *of the*
GOVERNING BOARD OF DIRECTORS *and* ADVISORY BOARD OF DIRECTORS *of*
THE LOS ANGELES DEVELOPMENT FUND *and* LADF MANAGEMENT, INC.

MARCH 23, 2018

Tab Table of Contents

1 Board Meeting Agenda

2 Materials regarding Action Item A:

- Asset Management and Compliance Services Cost Proposals Summary Matrix
- Background and Summary of Proposed Firms

Tab 1

A G E N D A

**SPECIAL MEETING of the
GOVERNING BOARD OF DIRECTORS and ADVISORY BOARD OF DIRECTORS of
THE LOS ANGELES DEVELOPMENT FUND and LADF MANAGEMENT, INC.**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER
CONFERENCE ROOM
200 N. SPRING STREET, SUITE 1500, LOS ANGELES, CA
Friday, March 23, 2018 | 1:00pm – 4:00pm**

	AGENDA ITEM	PRESENTER	TAB
	Welcome and Call to Order	Rushmore Cervantes	
	Roll Call	Rushmore Cervantes	
1	Discussion Items	Sandra Rahimi	
	a. LADF Investment Strategies – <i>Governing Board of Directors, Advisory Board of Directors and HR&A Consultants</i>		
2	Action Items	Sandra Rahimi	
	a. Request for Authorization to enter into Purchase Order contract with Ariel Ventures for Asset Management and Compliance Services		Tab 2
	Request for Future Agenda Items	Rushmore Cervantes	
	Next Meeting Date and Time of Governing Board	Rushmore Cervantes	
	• TBA		
	Public Comment	Rushmore Cervantes	
	Adjournment	Rushmore Cervantes	

The LADF's Board Meetings are open to the public. Accommodations such as sign language interpretation and translation services can be provided upon 72 hours notice. Contact LADF @ (213) 808-8959.

PUBLIC COMMENT AT LADF BOARD MEETINGS – An opportunity for the public to address the Board will be provided at the conclusion of the agenda. Members of the public who wish to speak on any item are requested to identify themselves and indicate on which agenda item they wish to speak. The Board will provide an opportunity for the public to speak for a maximum of three (3) minutes, unless granted additional time at the discretion of the Board. Testimony shall be limited in content to matters which are listed on this Agenda and within the subject matter jurisdiction of the LADF. The Board may not take any action on matters discussed during the public testimony period that are not listed on the agenda.

Tab 2



LOS ANGELES DEVELOPMENT FUND

**Back Office Services
Cost Proposals Summary Matrix**

For the purposes of this summary, LADF staff made the following assumptions:

- LADF’s 20 managed entities will need the following number of years of all services through their respective unwinds:

LADF IV, LLC	1 entity	1 year
LADF V, LLV through LADF VIII, LLC Chase NMTC Wilshire YMCA Investment Fund, LLC	5 entities	2 years
LADF IX, LLC	1 entity	3 years
LADF X, LLC	1 entity	4 years
LADF XI, LLC; LADF XII, LLC; LADF XIII, LLC; and LADF XVI, LLC	4 entities	7 years
LADF XIV, LLC; LADF XV, LLC; and LADF XVII through LADF XXII, LLC	8 entities	8 years

- LADF and LADF Management, Inc. will require 8 years of bookkeeping services
- This calculation assumes that LADF will close 5 transactions with its 2017 round award of \$50 million in 2018. Delays in fully deploying the new award will increase the length of time LADF must remain operational but would not increase the cost per Sub-CDE.
- The matrix below includes the sum of costs projected from *January 1, 2018* through *December 31, 2027*.**
LADF’s final unwinds will occur in 2026, and final audits and tax returns for 2026 will be completed by 2027.

	Ariel Ventures	United Fund Advisors	Strategic Development Solutions	Local Initiatives Support Corporation
TOTAL COST	\$ 1,130,700	\$ 2,896,750	\$ 2,974,713	\$ 1,273,600
<i>AV. COST/ YR</i>	\$ 141,338	\$ 362,094	\$ 371,839	\$ 159,200

About each consulting firm:

Ariel Ventures <https://www.arielventures.com/ariel/aboutUs.html>

Ariel Ventures is a 100% women-owned and minority firm founded in Cleveland in 2001 by Radhika Reddy and Irene Zawadiwsky. The small firm provides finance, tax, IT and business advisory services to renewable energy, real estate, small business, international business, and economic development projects nationwide. The partners of Ariel Ventures have gained national recognition as experts in the New Markets Tax Credits (NMTC) area, including hosting an annual compliance conference attended by the CDFI Fund. Ariel Ventures pioneered the development of the first state-of-the-art comprehensive NMTC compliance, reporting and CDE management software application in 2003. Their software has been approved for integration with the CDFI Fund's (Treasury Department) online community impact reporting system, and it is used by Community Development Entities nationally for compliance, reporting and operations. LADF has used Ariel Ventures' software since 2010. Ariel Ventures is located in Cleveland, OH.

New Markets Support Company (NMSC, a LISC subsidiary) <http://www.lisc.org/new-markets-support-company/who-we-are/staff/>

New Markets Support Company is a subsidiary of Local Initiatives Support Corporation (LISC). NMSC closed its first New Markets Tax Credit transaction on behalf of LISC with just one employee in 2004. NMSC currently manages LISC's \$993 million NMTC portfolio and has expanded services to include providing NMTC services for other allocatees, fund management, and business financing. The 30 member team is headquartered in Chicago, IL.

Strategic Development Solutions (SDS) <http://www.sdsgroup.com/>

Deborah La Franchi founded SDS in 2001. Ms. La Franchi and her 8 member team offer back office services for clients as well as manage three distinct proprietary funds: National New Markets Fund (\$477 million in NMTC), the Develop Michigan Real Estate Fund (\$60 million) and the American South Real Estate Fund (\$30 million). Although SDS is headquartered in Los Angeles, their NMTC investments are primarily in the "Go Region" of the deep South (Louisiana, Mississippi and Alabama).

United Fund Advisors (UFA) <http://www.unitedfundadvisors.com/who-we-are/>

Since Chris Hasle and Cam Turner founded UFA in 2002, they have closed \$1.5 billion in long-term, tax-advantaged financing to businesses and renewable energy projects nationwide. In addition to managing their own NMTC portfolio, with its 13 member staff UFA offers full service support to CDEs nationwide.