

# 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.**

**May 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.**

**MAY 23, 2018**

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- 2**     Materials regarding Discussion Item B:
  - LADF Pipeline Report

# **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.**

**CITY HALL, ROOM 1070  
200 N. SPRING STREET, LOS ANGELES, CA  
Wednesday, May 23, 2018 | 8:00am – 9:30am**

	<b>AGENDA ITEM</b>	<b>PRESENTER</b>	<b>TAB</b>
	Welcome and Call to Order	Rushmore Cervantes	
	Roll Call	Rushmore Cervantes	
<b>1</b>	Discussion Items		
	a. 2018 Application for Additional NMTC Allocation	Sandra Rahimi	
	b. LADF Pipeline Update – <i>including project presentations</i>	Sandra Rahimi	Tab 2
<b>2</b>	Action Items	Sandra Rahimi	
	a. Authorization to Apply to the CDFI Fund for up to \$80 million in allocation in the CY 2018 Round New Markets Tax Credit Application		
	b. Authorization to issue a Letter of Interest to the <b>Cathedral High School Performing Arts Center</b> project for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if <b>by July 31, 2018</b> a) the project has not provided commitment letters from all other financing sources <u>and</u> b) project has not made substantial progress on all other LADF readiness criteria.		
	c. Authorization to issue a Letter of Interest to the <b>High Tech LA Middle School</b> project for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if <b>by July 31, 2018</b> a) the project has not provided commitment letters from all other financing sources <u>and</u> b) project has not made substantial progress on all other LADF readiness criteria.		
	d. Authorization to issue a Letter of Interest to the <b>LACMA Wetlands Park</b> project for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if <b>by August 31, 2018</b> a) the project has not provided commitment letters from all other financing sources and b) project has not made substantial progress on all other LADF readiness criteria.		
	Request for Future Agenda Items	Rushmore Cervantes	
	Next Meeting Date and Time of Governing Board	Rushmore Cervantes	
	• Thursday, June 14, 2018		
	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) 922-9694.

**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**

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# LADF

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LOS ANGELES DEVELOPMENT FUND

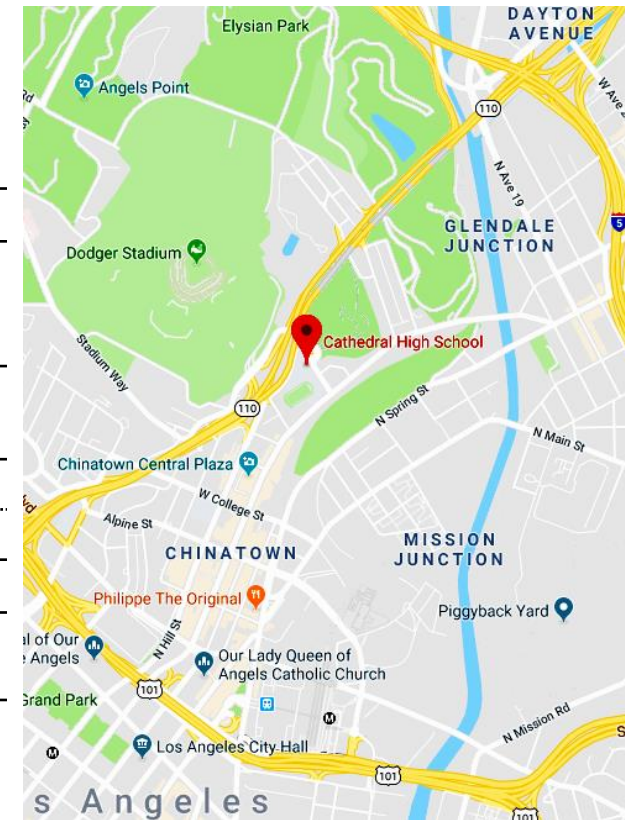
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## PIPELINE PROFILES

**LADF Board Meeting**  
**May 23, 2018**

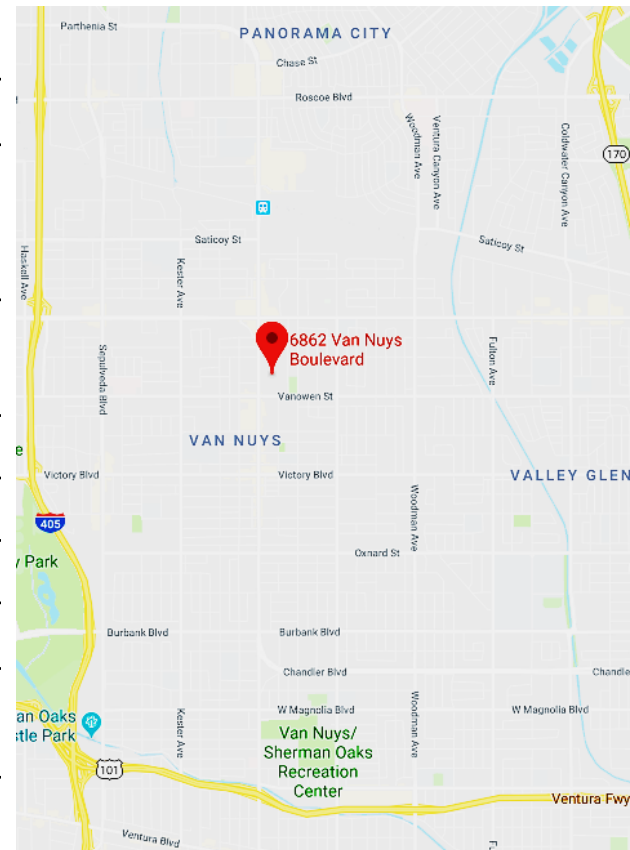
# CATHEDRAL HIGH PERFORMING ARTS CENTER

<b>Developer:</b>	Cathedral High School (CHS)								
<b>Project Type:</b>	Community Facility, New Construction								
<b>Description:</b>	<p>Project is a <b>30,000 SF</b> state of the art Performing Arts Center and Theater. Project will include a “Makerspace” (space to design, prototype, and create manufactured works), a 350-seat theater, art and musical instruction rooms, audio and video engineering studio, theater arts instruction space, general classroom space, and theater related offices.</p> <p>CHS is an all boys’ high school located in one of the most economically &amp; socially challenged neighborhoods in Los Angeles. The school has educated underserved and disadvantaged high school boys since 1925. CHS’ annual enrolment hovers around 700 students – 70% Latino and 10% African American, and 30% of the total are non-Catholic students. Additionally, 70% of its students qualify for the Federal Free/Reduced Lunch Programs.</p>								
<b>Location:</b>	1253 Bishops Road, Los Angeles, CA 90012 ( <b>CD 1</b> )								
<b>Census Tract Eligibility (2010):</b>	<ul style="list-style-type: none"> <li>➤ <b>50.8%</b> Poverty Rate (<i>greater than 20% and 30%</i>)</li> <li>➤ <b>27.6%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> <li>➤ Located in a <b>State Enterprise Zone</b></li> </ul>								
<b>Estimated TDC/ NMTA Allocation:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">TDC:</td> <td style="width: 30%; text-align: right;">\$ 19,930,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 30%; text-align: right;">\$ 18,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td style="text-align: right;">\$ 10,000,000</td> </tr> </table>	TDC:	\$ 19,930,000	Total QEI:	\$ 18,000,000			LADF QEI:	\$ 10,000,000
TDC:	\$ 19,930,000	Total QEI:	\$ 18,000,000						
		LADF QEI:	\$ 10,000,000						
<b>Potential Sources of Funds:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Various Grants (<i>spent</i>):</td> <td style="width: 30%; text-align: right;">\$ 13,960,000</td> <td style="width: 40%; text-align: right;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>NMTA Equity (\$0.85 / NMTA):</td> <td style="text-align: right;">\$ 5,970,000</td> <td></td> </tr> </table>	Various Grants ( <i>spent</i> ):	\$ 13,960,000	<b>Lev. Loan Eligible</b>	NMTA Equity (\$0.85 / NMTA):	\$ 5,970,000			
Various Grants ( <i>spent</i> ):	\$ 13,960,000	<b>Lev. Loan Eligible</b>							
NMTA Equity (\$0.85 / NMTA):	\$ 5,970,000								
<b>Projected Closing:</b>	September 2017								
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Project received permits and broke ground in mid-2017</li> <li>➤ Construction completion expected Dec. 2018 to Jan. 2019</li> </ul>								
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Serve approximately <b>6,800 community members</b> annually</li> <li>➤ Facility, including “Makerspace”, will be open to the community at free or reduces rates</li> <li>➤ Provide community members with access to enrichment, education, and workforce development programs</li> </ul>								



# HIGH TECH LOS ANGELES MIDDLE SCHOOL

<b>Developer:</b>	Pacific Charter School Development		
<b>Project Type:</b>	Charter School, New Construction		
<b>Description:</b>	Project is a <b>27,500 SF</b> charter school facility in the Van Nuys neighborhood of Los Angeles. Project will be built on an existing YMCA-owned parcel and be located adjacent to the Mid-Valley YMCA. This charter school will add 450 seats for 6 <sup>th</sup> , 7 <sup>th</sup> , and 8 <sup>th</sup> grade students. Project will also renovate and upgrade an existing on-site parking lot. In the 2016-17 school year, 93.6% of High Tech LA's students qualified for the free or subsidized lunch program.		
<b>Location:</b>	6862 Van Nuys Blvd., Van Nuys, CA 91405 (CD 6)		
<b>Census Tract Eligibility (2010):</b>	<ul style="list-style-type: none"> <li>➤ <b>27.8%</b> Poverty Rate (<i>greater than 20%</i>)</li> <li>➤ <b>52.1%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> <li>➤ <b>1.54x</b> National Avg. Unemployment (<i>greater than 1.5x</i>)</li> </ul>		
<b>Estimated TDC/ NMTC Allocation:</b>	TDC: \$ 11,000,000	Total QEI: \$ 11,000,000	LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Leverage Loan (LISC):	\$ 5,850,000	<b>Lev. Loan Eligible</b>
	Grant (GPSN):	\$ 1,500,000	<b>Lev. Loan Eligible</b>
	NMTC Equity (\$0.85 / NMTC):	\$ 3,650,000	
<b>Projected Closing:</b>	Summer 2018		
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ RTI Permits expected in summer 2018</li> <li>➤ Project expected to complete in August 2019</li> </ul>		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Serve 450 6<sup>th</sup> through 8<sup>th</sup> grade students</li> <li>➤ Sustainability: LEED Gold certification anticipated</li> </ul>		

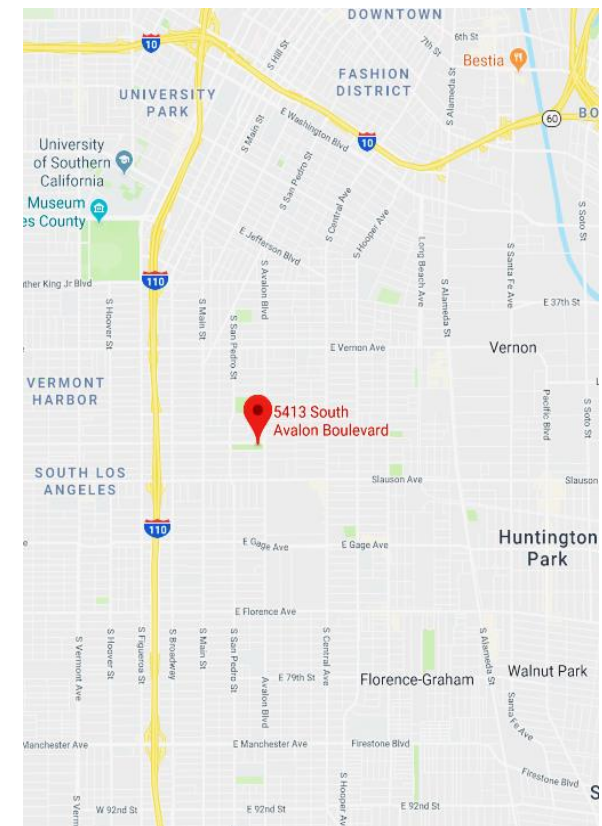




# LACMA Wetlands Park Building

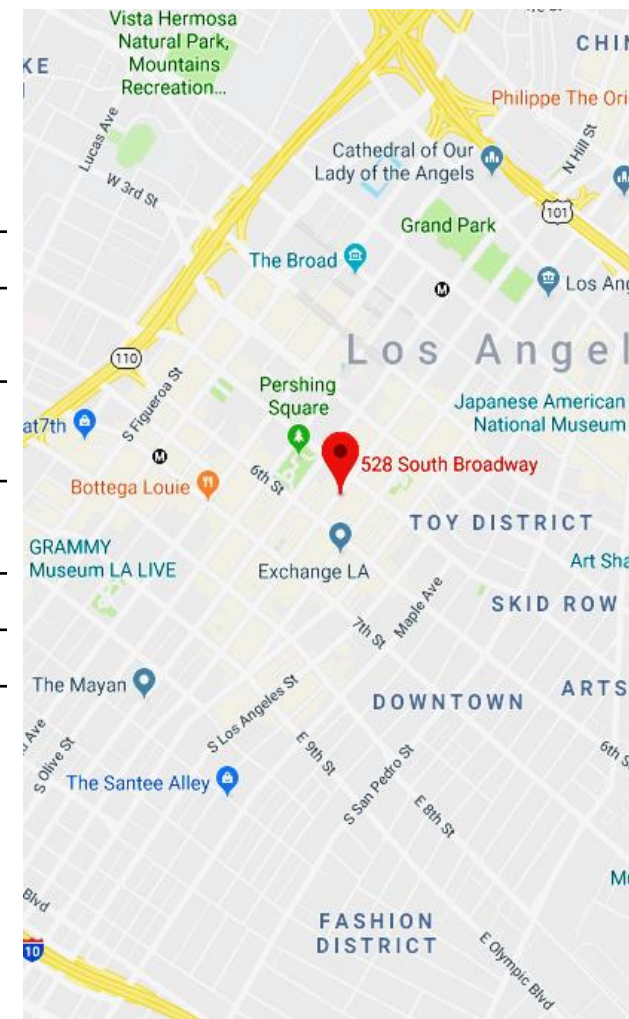
<b>Developer:</b>	Museum Associates dba Los Angeles County Museum of Art									
<b>Project Type:</b>	Museum, Rehabilitation									
<b>Description:</b>	Project is a <b>72,850 SF</b> museum located in South Los Angeles Wetlands Park. The facility is across the street from the newly renovated Maya Angelou High School. This branch will operate public art programming in association with neighboring schools to provide access to art education and programming for over 9,500 students within walking distance, providing a cultural resource in an underserved neighborhood. The museum will use the building for art-related and educational public programs and museum related purposes, including the storage of a portion of LACMA's collection.									
<b>Location:</b>	5413 S Avalon Blvd., Los Angeles, CA 90011 (CD 9)									
<b>Census Tract Eligibility (2010):</b>	<ul style="list-style-type: none"> <li>➤ <b>34.2%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>49.3%</b> of Metro/State Median Income (less than 80% and 60%)</li> <li>➤ <b>1.56x</b> National Avg. Unemployment (greater than 1.5x)</li> </ul>									
<b>Estimated TDC/ NMTC Allocation:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">TDC:</td> <td style="width: 20%; text-align: right;">\$ 31,600,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%; text-align: right;">\$ 30,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td style="text-align: right;">\$ 10,000,000</td> </tr> </table>	TDC:	\$ 31,600,000	Total QEI:	\$ 30,000,000			LADF QEI:	\$ 10,000,000	
TDC:	\$ 31,600,000	Total QEI:	\$ 30,000,000							
		LADF QEI:	\$ 10,000,000							
<b>Potential Sources of Funds:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Sponsor Equity:</td> <td style="width: 20%; text-align: right;">\$ 15,900,000</td> <td style="width: 20%; text-align: right;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>Historic Tax Credit Equity:</td> <td style="text-align: right;">\$ 6,000,000</td> <td style="text-align: right;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>NMTC Equity (\$0.83 / NMTC):</td> <td style="text-align: right;">\$ 9,700,000</td> <td></td> </tr> </table>	Sponsor Equity:	\$ 15,900,000	<b>Lev. Loan Eligible</b>	Historic Tax Credit Equity:	\$ 6,000,000	<b>Lev. Loan Eligible</b>	NMTC Equity (\$0.83 / NMTC):	\$ 9,700,000	
Sponsor Equity:	\$ 15,900,000	<b>Lev. Loan Eligible</b>								
Historic Tax Credit Equity:	\$ 6,000,000	<b>Lev. Loan Eligible</b>								
NMTC Equity (\$0.83 / NMTC):	\$ 9,700,000									
<b>Projected Closing:</b>	March 2019									
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ 35-year rent-free lease with the City of LA signed in February 2018</li> <li>➤ Construction start in Mar-2019 and completion in Dec-2019</li> </ul>									
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Program model designed for 9,500 students within walking distance to visit the site multiple times</li> <li>➤ High School Internship Program each year focused on learning about the Museum's collection and art history, strategies for facilitating conversations about art, and public speaking</li> <li>➤ Adult training to serve as teaching assistants for public art programs</li> </ul>									

# LACMA



# FUSION MULTIPLEX

<b>Developer:</b>	Fusion Multiplex, LLC		
<b>Project Type:</b>	Retail / Entertainment, Rehabilitation		
<b>Description:</b>	Project includes <b>90,000 SF</b> total across 3 old theatres that will be redeveloped and consolidated into one building, which will server as the first mixed media venue in Downtown Los Angeles and the first of its kind to feature all genre of film, alternative content, e-sports, and even “live” programming, such as stand-up comedy and intimate musical sets. The projects aligns with the “Bringing Back Broadway” ten-year plan to reactivate the Broadway theatre district.		
<b>Location:</b>	528 S Broadway, Los Angeles, CA 90013 <b>(CD 14)</b>		
<b>Census Tract Eligibility (2010):</b>	<ul style="list-style-type: none"> <li>➤ <b>42.8%</b> Poverty Rate (<i>greater than 20% and 30%</i>)</li> <li>➤ <b>27.0%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> </ul>		
<b>Estimated TDC/ NMTA Allocation:</b>	TDC:           \$ TBD	Total QEI:    \$ TBD	LADF QEI:     \$ TBD
<b>Potential Sources of Funds:</b>	TBD	\$ TBD	<b>Lev. Loan Eligible</b>
<b>Projected Closing:</b>	TBD		
<b>Current Status:</b>	➤ Design development is ongoing		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Job Creation: <b>195</b> Permanent – <b>TBD</b> Construction</li> <li>➤ Intend to engage the USO Pathfinder Program to attract qualified service men and women who are transitioning back into civilian life</li> <li>➤ Intend to develop a Vocational Hiring Program in conjunction with the Union Rescue Mission (URM), and other Skid Row entities with qualified program graduates</li> <li>➤ Professional Internship or Mentorship Program in conjunction with new LAUSD/USC Film Lecture Series and Extension Courses offered</li> <li>➤ Free shuttle services from The Angelus Plaza (TAP) Senior Center to Fusion Multiplex</li> </ul>		



# 1801 FLOWER

## PROP HHH

<b>Developer:</b>	Project 1801 Flower, LLC		
<b>Project Type:</b>	Homeless Housing, Rehabilitation		
<b>Description:</b>	Project is a redevelopment of an existing building into a homeless shelter with ancillary homeless services. Project is centrally located in downtown Los Angeles, nearly adjacent to the Bob Hope Patriotic Hall & VA hospital and is an ideal location for programs providing support for homeless veterans. The Sponsor has had discussions with VA officials regarding the intent to house homeless veterans at this location.		
<b>Location:</b>	1801 S Flower Street, Los Angeles, CA 90015 (CD 9)		
<b>Census Tract Eligibility (2010):</b>	<ul style="list-style-type: none"> <li>➤ <b>33.5%</b> Poverty Rate (<i>greater than 20% and 30%</i>)</li> <li>➤ <b>36.0%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> </ul>		
<b>Estimated TDC/ NMTC Allocation:</b>	TDC: \$ 11,400,000	Total QEI: \$ 11,000,000	LADF QEI: \$ TBD
<b>Potential Sources of Funds:</b>	HHH Funding / TBD Sources:	\$ 7,400,000	<b>Lev. Loan Eligible</b>
	NMTC Equity (\$0.85 / NMTC):	\$ 3,600,000	
	Sponsor Equity (direct source):	\$ 400,000	
<b>Projected Closing:</b>	September 2018		
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Sponsor under contract to acquire property</li> <li>➤ Sponsor to obtain commitments for HHH funding and LAHSA for program revenues</li> </ul>		
<b>Community Benefits/Impact:</b>	➤ Provide shelter and services for greater than <b>125 people</b> in need		





# GOODWILL OF SOUTHERN CA. OFFICE

<b>Developer:</b>	Goodwill of Southern California ("GSC")		
<b>Project Type:</b>	Office / Mixed-Use, Rehabilitation		
<b>Description:</b>	<p>Project includes the adaptive reuse of the <b>138,000 SF</b> GSC office building. Project will adapt office space for people with ADA impediments, create 30,000 SF of low-cost working space for partner non-profits, expand job training capacity by 50%, create a digital learning academy, establish a new homeless services center, and create a 2MW solar installation.</p> <p>Creation of a new Goodwill Café will train 300 people per annum and prepare them for careers in food service. Project will make food services available to the local community for the first time.</p> <p>New construction of an 800 car parking garage and a new 15,000 SF Goodwill retail store. GSC will employ individuals with special needs at this location.</p>		
<b>Location:</b>	342 N San Fernando Rd, Los Angeles, CA 90031 (CD 1)		
<b>Census Tract Eligibility (2010):</b>	<ul style="list-style-type: none"> <li>➤ <b>43.7%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>37.7%</b> of Metro/State Median Income (less than 80% and 60%)</li> <li>➤ <b>1.58x</b> National Avg. Unemployment (greater than 1.5x)</li> </ul>		
<b>Estimated TDC/ NMTA Allocation:</b>	TDC:	\$ 39,000,000	Total QEI: \$ 39,000,000 LADF QEI: \$ TBD
<b>Potential Sources of Funds:</b>	Taxable bond financing:	\$ 26,000,000	<b>Lev. Loan Eligible</b>
	NMTA Equity (\$0.85 / NMTA):	\$ 13,000,000	
<b>Projected Closing:</b>	TBD		
<b>Current Status:</b>	➤ Design development is ongoing		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Job Creation: <b>100</b> Permanent – <b>TBD</b> Construction</li> <li>➤ <b>30,000 SF</b> of new low cost space for non profits</li> <li>➤ Expansion of space accessible to trainees with disabilities</li> <li>➤ <b>50% expansion</b> of existing GSC job training capacity</li> </ul>		

