

LADF

LOS ANGELES DEVELOPMENT FUND

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

The Los Angeles Development Fund
and
LADF Management, Inc.

October 26, 2021

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

OCTOBER 26, 2021

Tab Table of Contents

- 1** Board Meeting Agenda
- 2** Materials regarding Discussion Item A:
 - LADF Pipeline Report

Tab 1

AGENDA

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

MEETING BY TELECONFERENCE (AUTHORIZED EXCEPTION TO THE BROWN ACT):
To join via telephone, dial this number: (669) 900-6833 US
Meeting ID: 875 9820 9620
Tuesday, October 26, 2021 | 1:00pm – 2:00pm

AGENDA ITEM	PRESENTER	TAB
Welcome and Call to Order	Carolyn Hull	
Roll Call	Sandra Rahimi	
1 Discussion Items		
a. LADF Pipeline Update	Sandra Rahimi	Tab 2
2 Action Items	Sandra Rahimi	
a. Request for Authorization of LADF staff to engage Novogradac to assist with drafting LADF's 2021 NMTC Application. Maximum estimated contract cost is \$50,000.		
b. Request for Authorization of LADF staff to issue a Letter of Interest to the Vermont Manchester project for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if the proposed transaction has not closed by March 30, 2022 .		
Request for Future Agenda Items	Carolyn Hull	
• Renew meetings of the Strategy Working Group		
Next Meeting Date and Time of Governing Board	Carolyn Hull	
• Thursday, December 9, 2021, 2:30pm – 4:00pm (via Zoom)		
Public Comment	Carolyn Hull	
<i>NOTE:</i> When it is time for public comment:		
1. If you joined by phone only. Please press *9 on your phone keypad to raise your hand to be acknowledged for Public Comment		
2. If you joined by clicking on the meeting link and have joined us online, please click the participant icon at the bottom of your screen. This will launch a participant panel, where you will see the "raise hand" icon on the far right side. Please click "raise hand" to be acknowledged for Public Comment.		
Adjournment	Carolyn Hull	

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

The logo for the Los Angeles Development Fund (LADF) features the letters "LADF" in a large, bold, dark blue sans-serif font. A thin blue horizontal line is positioned directly beneath the letters.

LOS ANGELES DEVELOPMENT FUND

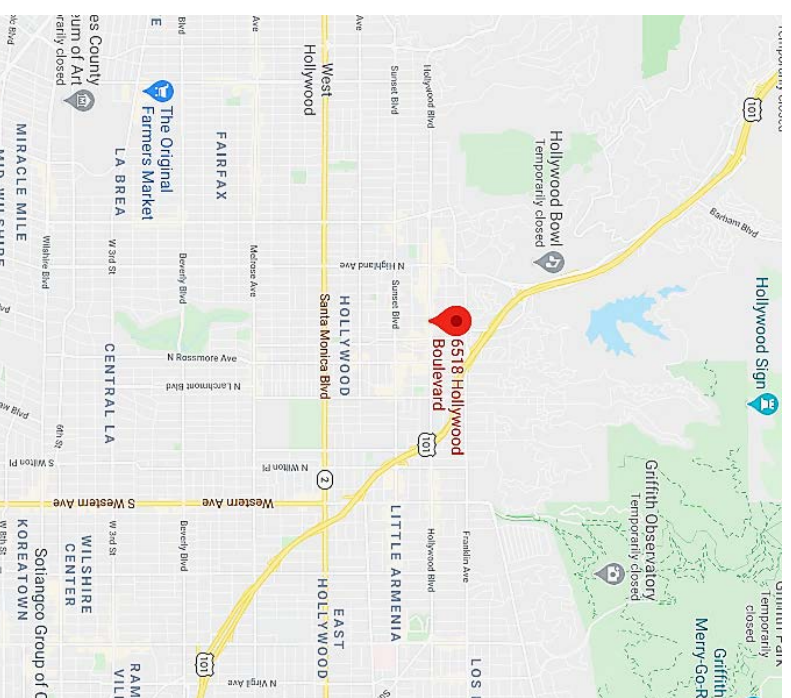
PIPELINE PROFILES

LADF Board Meeting

October 14, 2021

HOLLYWOOD ARTS CENTER

Developer:	Thomas Safran & Associates (TSA) and The Actors Fund																				
Project Type:	Live Theater/Arts Facility, Substantial Rehabilitation																				
Description:	<p>The project will rehabilitate an existing two-story, 18,350 SF building along Hollywood Boulevard. The project will include:</p> <ul style="list-style-type: none"> • 4,800 SF for The Actors Fund Training & Career Center • 4,250 SF of co-working office space for small arts non-profits • 8,500 SF of gallery, exhibit, performance, and rehearsal space for tenants and area arts organizations, including social justice exhibitions • 2,900 SF / 64-seat black box theater for tenant presentations/shows, youth engagement activities, and community meetings • 800 SF of market rate retail space, including a coffee shop 																				
Location:	6518-6552 Hollywood Blvd., Los Angeles, CA 90028 (CD 13)																				
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➢ 26.3% Poverty Rate (<i>greater than 20%</i>) ➢ 73.9% of Metro/State Median Income (<i>less than 80%</i>) ➢ Federal-Designated Promise Zone 																				
Estimated TDC & NMTC Allocation:	<table border="0"> <tr> <td>Budget:</td> <td>\$ 21,700,000</td> <td>Total QEI:</td> <td>\$ 21,700,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 12,500,000</td> </tr> <tr> <td>Sponsor Fundraising:</td> <td>\$ 14,300,000</td> <td>Lev. Loan Eligible</td> <td></td> </tr> <tr> <td>Market Rate Loan:</td> <td>\$ 1,500,000</td> <td>Lev. Loan Eligible</td> <td></td> </tr> <tr> <td>NMTC Equity (\$0.70 / NMTC):</td> <td>\$ 5,900,000</td> <td></td> <td></td> </tr> </table>	Budget:	\$ 21,700,000	Total QEI:	\$ 21,700,000			LADF QEI:	\$ 12,500,000	Sponsor Fundraising:	\$ 14,300,000	Lev. Loan Eligible		Market Rate Loan:	\$ 1,500,000	Lev. Loan Eligible		NMTC Equity (\$0.70 / NMTC):	\$ 5,900,000		
Budget:	\$ 21,700,000	Total QEI:	\$ 21,700,000																		
		LADF QEI:	\$ 12,500,000																		
Sponsor Fundraising:	\$ 14,300,000	Lev. Loan Eligible																			
Market Rate Loan:	\$ 1,500,000	Lev. Loan Eligible																			
NMTC Equity (\$0.70 / NMTC):	\$ 5,900,000																				
Potential Sources of Funds:																					
Projected Closing:	December 2021																				
Current Status:	<ul style="list-style-type: none"> ➢ Design is complete and permits expected in December 2021 ➢ LIHTC for supportive housing units is secured and construction started ➢ Job Creation: 45 Permanent (42 ret. / 3 new), exc. non-profit tenants (est. 30-60 additional jobs) – 60 Construction ➢ Project will provide 13,200 individuals per year with career and social services – 75% Low-Income Persons / 40% Minority ➢ 25-75% below-market rents provided to non-profit tenants ➢ Arts programming: 75 events reaching 7,400 individuals per year ➢ Theater will provide arts programming for underserved youth 																				
Community Benefits/Impact:																					



DESTINATION CRENSHAW

Operating Business: Destination Crenshaw, Inc.

Project Type: Nonprofit Working Capital / Infrastructure Development

Project will build capacity and help execute Destination Crenshaw - inaugural economic development initiatives within the historic business district located on a 1.3-mile stretch along Crenshaw Boulevard from 48th to 60th in Los Angeles. The Project is a community-led vision with five central components: (i) A culturally stamped infrastructure project, (ii) a transformative union training and employment program, (iii) a local small business resiliency program, (iv) environmental equity, and (v) a Black artist job program.

Crenshaw is the heart of the largest West Coast Black community and home to a historic Black business corridor. Crenshaw was adversely affected by the Metro train line connecting the airport to the rest of the city, bifurcating the Black business corridor and exacerbated by the consequences of COVID-19. Destination Crenshaw will protect and revitalize the community including the creation of the Sponsor, the first Crenshaw CDC, to lead the implementation of the Project and its sustainability.

Location: NMTC Investment is for working capital and not location-based. It will work to serve Low-Income Persons and POCs.

Census Tract Eligibility (2015-16):

- **28.0%** Poverty Rate (greater than 20%)
- **59.8%** of Metro/State Median Income (less than 80% and 60%)
- **2.20x** National Avg. Unemployment (greater than 1.5x)

Estimated TDC/ NMTC Allocation:

TDC:	\$ 25,000,000	Total QEI:	\$ 25,000,000
		LADF QEI:	\$ 5,000,000

Potential Sources of Funds:

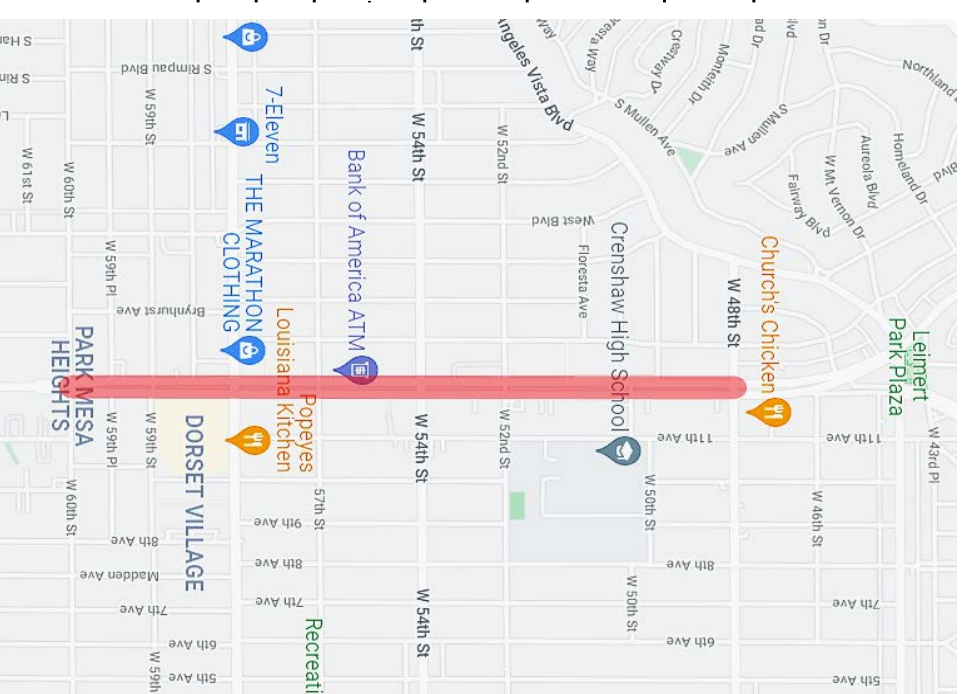
One Day Loan:	\$ 17,700,000	Lev. Loan Eligible
NMTC Equity (\$0.75 / NMTC):	\$ 7,300,000	

Projected Closing: December 2021

Current Status: ➤ Sponsor in process of securing NMTC Allocation and leverage capital

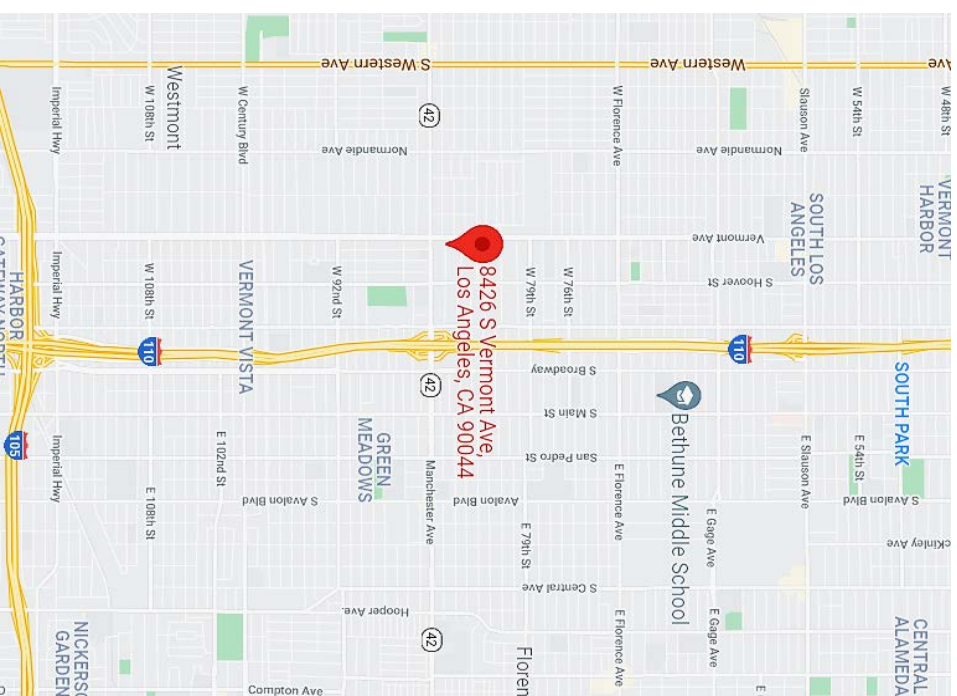
Community Benefits/Impact:

- Job Creation: **40** Permanent – **600** Construction
- Free educational and cultural programming through the outdoor open air 1.3-mile museum and legacy business development through the support of DC Thrive
- Support **100** minority-owned or -controlled micro businesses through the Black Artist Program and Creative Economy Framework



VERMONT MANCHESTER

Developer:	Primestor Development, Inc.												
Project Type:	Retail and Office, New Construction												
Description:	<p>Development of a 63,653 SF retail and pre-leased office development with a grocery store-anchored retail component (47,740 SF), new job training and innovation center to be sub-leased by Metro (15,913 SF), and public plaza and transit hub. Project is part of a transformative 160,000 SF mixed-use development on 4.2 acres of urban Infill land with \$300 million total project cost. Project will transform and activate a blighted vacant lot in an area of South Los Angeles that has experienced chronic under-investment over the last 30 years.</p> <p>The other components of the master plan development include 180 units of affordable and senior housing by BRIDGE Housing (not financed by NMTCs) and the SEED School of Los Angeles County (financed with NMTCs) in 2021 including \$5.3 million NMTC Allocation invested by LADF).</p>												
Location:	8426 S Vermont Ave, Los Angeles, CA 90044 (CD 8)												
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 47.2% Poverty Rate (greater than 20% and 30%) ➤ 43.3% of Metro/State Median Income (less than 80% and 60%) ➤ Two adjacent Census Tracts are USDA-designated Food Deserts 												
Estimated TDC & NMTC Allocation:	<table border="0"> <tr> <td>Budget:</td> <td>\$ 58,700,000</td> <td>Total QEI:</td> <td>\$ 40,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table>	Budget:	\$ 58,700,000	Total QEI:	\$ 40,000,000			LADF QEI:	\$ 10,000,000				
Budget:	\$ 58,700,000	Total QEI:	\$ 40,000,000										
		LADF QEI:	\$ 10,000,000										
Potential Sources of Funds:	<table border="0"> <tr> <td>Section 108 Loan:</td> <td>\$ 7,500,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>Public Grant Funding Sources:</td> <td>\$ 22,500,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>Sponsor Equity:</td> <td>\$ 17,500,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.72 / NMTC):</td> <td>\$ 11,200,000</td> <td></td> </tr> </table>	Section 108 Loan:	\$ 7,500,000	Lev. Loan Eligible	Public Grant Funding Sources:	\$ 22,500,000	Lev. Loan Eligible	Sponsor Equity:	\$ 17,500,000	Lev. Loan Eligible	NMTC Equity (\$0.72 / NMTC):	\$ 11,200,000	
Section 108 Loan:	\$ 7,500,000	Lev. Loan Eligible											
Public Grant Funding Sources:	\$ 22,500,000	Lev. Loan Eligible											
Sponsor Equity:	\$ 17,500,000	Lev. Loan Eligible											
NMTC Equity (\$0.72 / NMTC):	\$ 11,200,000												
Projected Closing:	February 2022												
Current Status:	<ul style="list-style-type: none"> ➤ Genesis LA is committing NMTC Allocation to the Project. Sponsor is working to secure remaining Allocation needed to fill the funding gap ➤ Job Creation: 145 Permanent – 730 Construction 												
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Project will require 30% local hiring by commercial tenants ➤ Sponsor expects to have incubator retail spaces for local businesses with rents 75% subsidized relative to market rate. 												



THE BRINE PROJECT

Developer:	Decro Corporation									
Project Type:	Mixed-Use, Primarily New Construction									
Description:	Construction of a new mixed-use project on the site of a former pickle factory in the Lincoln Heights neighborhood of Los Angeles. The project will include the following uses: (1) 28,000 SF community retail including a food court and (2) 4,000 SF pediatric mental health clinic operated by Violence Intervention Program (VIP) to serve 180 children (100% Low-Income Persons from the foster care system) per year. Additionally, project adds 97 affordable housing units, of which 49 will be permanent supportive housing for seniors, veterans, single-parent families, and transitional-aged youth (NOT financed by NMTCs).									
Location:	3000 N. Main Street, Los Angeles, CA 90031 (CD 15)									
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 36.6% Poverty Rate (greater than 20% and 30%) ➤ 42.4% of Metro/State Median Income (less than 80% and 60%) 									
Estimated TDC & NMTC Allocation:	<table border="0"> <tr> <td>Budget:</td> <td>\$ 15,000,000</td> <td>Total QEI:</td> <td>\$ 15,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table>	Budget:	\$ 15,000,000	Total QEI:	\$ 15,000,000			LADF QEI:	\$ 10,000,000	
Budget:	\$ 15,000,000	Total QEI:	\$ 15,000,000							
		LADF QEI:	\$ 10,000,000							
Potential Sources of Funds:	<table border="0"> <tr> <td>Leverage Loan:</td> <td>\$ 9,900,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>Sponsor Equity:</td> <td>\$ 800,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.74 / NMTC):</td> <td>\$ 4,300,000</td> <td></td> </tr> </table>	Leverage Loan:	\$ 9,900,000	Lev. Loan Eligible	Sponsor Equity:	\$ 800,000	Lev. Loan Eligible	NMTC Equity (\$0.74 / NMTC):	\$ 4,300,000	
Leverage Loan:	\$ 9,900,000	Lev. Loan Eligible								
Sponsor Equity:	\$ 800,000	Lev. Loan Eligible								
NMTC Equity (\$0.74 / NMTC):	\$ 4,300,000									
Projected Closing:	TBD									
Current Status:	<ul style="list-style-type: none"> ➤ Design is complete and plans submitted for permit review ➤ Sponsor expects to close LIHTC funding for supportive housing units by October 2021 									
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 48 Permanent – 430 Construction ➤ Health center in a Medically Underserved Area 									

