

LADF

LOS ANGELES DEVELOPMENT FUND

**Meeting of the
Governing Board of Directors of
The Los Angeles Development Fund
and
LADF Management, Inc.**

April 14, 2022

**MEETING of the
GOVERNING BOARD OF DIRECTORS of
THE LOS ANGELES DEVELOPMENT FUND and LADF MANAGEMENT, INC.
APRIL 14, 2022**

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 - LADF Pipeline Profile – Shakespeare Center of Los Angeles

Tab 1

AGENDA

**MEETING of the
GOVERNING 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: 881 2505 0762

Thursday, April 14, 2022 | 2:30pm – 4:00pm

AGENDA ITEM	PRESENTER	TAB
Welcome and Call to Order	Carolyn Hull	
Roll Call	Sandra Rahimi	
Findings to Continue Teleconference Meetings Pursuant to AB 361	Carolyn Hull	
<p>The Governing Board of the Los Angeles Development Fund and of LADF Management, Inc. to consider a determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members of these Boards, and the ability of the members of all of these Boards' advisory bodies, including, but not limited to, the Advisory Board of the Los Angeles Development Fund, as well as the public who might attend these meetings, to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.</p>		
1 Special Action Item(s):	Carolyn Hull	
a. That the Governing Board of the Los Angeles Development Fund and of LADF Management, Inc. here determine, in accordance with AB 361 Section 3(e)(3), that this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person, and/or state or local officials continue to impose or recommend measures to promote social distancing.		
2 Approval of Minutes for Board Meeting(s) on:	Carolyn Hull	
a. March 10, 2022 – Governing Board Meeting		Tab 2
3 Discussion Item(s):	Sandra Rahimi	
a. Scope of work for RFP related to identifying a consulting firm to (1) identify neighborhoods and/or industries that LADF should prioritize in its NMTC investments and (2) design and operationalize a new loan program for LADF capital.		Tab 3
b. Scope of work for RFP related to identifying how LADF can implement its mission to assist with the City of Los Angeles' economic development goals and the steps necessary.		Tab 4
4 Action Item(s):	Carolyn Hull	
a. Request for Authorization of LADF staff to issue a Letter of Interest to the Shakespeare Center of Los Angeles project for providing up to \$12 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 August 31, 2022 .		Tab 5
Request for Future Agenda Items	Carolyn Hull	
Next Meeting Date and Time of Governing Board	Carolyn Hull	
a. Thursday, May 12, 2022, 2:30pm – 4:00pm (via Zoom)		
Public Comment	Carolyn Hull	
<p><u>NOTE:</u> When it is time for public comment: If you joined by phone only. Please press *9 on your phone keypad to raise your hand to be acknowledged for Public Comment. 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.</p>		
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

LOS ANGELES DEVELOPMENT FUND
MINUTES OF THE MEETING OF THE GOVERNING BOARD OF LADF AND LADF MANAGEMENT, INC.
THURSDAY MARCH 10, 2022

MEETING BY TELECONFERENCE (AUTHORIZED EXCEPTION TO THE BROWN ACT)

LADF STAFF PRESENT:

- Sandra Rahimi

WELCOME AND CALL TO ORDER – Los Angeles Development Fund (LADF) Director Hull called the meeting to order at 2:31pm.

ROLL CALL

The following Governing Board directors were present at the meeting:

- Director Hull (*Chairperson*)
- Director Chavez
- Director Kalfayan
- Director Sewill

A QUORUM WAS PRESENT

The following Advisory Board directors were present at the meeting:

- Director Williams (*Chairperson*)
- Director Monge
- Director Volpert

A QUORUM WAS NOT PRESENT

1. Findings to Continue Teleconference Meetings Pursuant to AB 361

The Governing Board of the Los Angeles Development Fund and of LADF Management, Inc. to consider a determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members of these Boards, and the ability of the members of all of these Boards' advisory bodies, including, but not limited to, the Advisory Board of the Los Angeles Development Fund, as well as the public who might attend these meetings, to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.

Special Action Item(s): That the Governing Board of the Los Angeles Development Fund and of LADF Management, Inc. here determine, in accordance with AB 361 Section 3(e)(3), that this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person, and/or state or local officials continue to impose or recommend measures to promote social distancing.

- Moved by Director Chavez. Seconded by Director Kalfayan.
- Roll Call: AYES: 4; NOS: 0; ABSENT: 1; ABSTAIN: 0; APPROVED.

2. Approval of Minutes for Board Meeting(s) on:

a. February 10, 2022 – Governing Board Meeting

- Moved by Director Kalfayan. Seconded by Director Sewill.
- Roll Call: AYES: 4; NOS: 0; ABSENT: 1 ABSTAIN: 0; APPROVED.

3. DISCUSSION ITEMS

➤ **DISCUSSION ITEM (A) – LADF PIPELINE REPORT**

- Sandra Rahimi presented an update and summary of pipeline projects.

4. ACTION ITEMS

- a. Request for Approval of LADF staff to issue an RFP to identify a consulting firm to (1) identify neighborhoods and/or industries that LADF should prioritize in its NMTC investments and (2) design and operationalize a new loan program for LADF capital.

CARRIED OVER TO NEXT MEETING

- b. Request for Approval of LADF staff to issue an RFP to identify steps needed for LADF to offer a pilot program of Strategic Asset Management to optimize the development of a small set of City-owned real estate assets. After presenting a report of the steps to LADF Governing and Advisory Boards and obtaining LADF Board input and consent, this consultant will operationalize the pilot program.

CARRIED OVER TO NEXT MEETING

REQUEST FOR FUTURE AGENDA ITEMS

- Consideration of LADF providing NMTC allocation to the Shakespeare Center of Los Angeles project.
- Discussion of proposed Scope of Work of the two RFPs

NEXT MEETING DATE AND TIME

- March 10, 2022 at 2:30pm

PUBLIC COMMENT

- Ben Donenberg and Dana Goland, both associated with the Shakespeare Center of Los Angeles, presented the project and the proposed community benefits of a NMTC investment by LADF.

ADJOURNMENT

- Meeting was adjourned at **3:13 pm**.

Tab 3



LOS ANGELES DEVELOPMENT FUND

Request for Proposal #007 NMTC Consultant

May XX, 2022

EXHIBIT A STATEMENT OF WORK

NMTC/ SMALL LOAN CONSULTING SERVICES

SCOPE OF SERVICES

The proposal and the final products should include, but are not limited to, the services in the list below. Your firm should add appropriate items based on your experience and what you believe will be provide the best direction and results for the LADF.

NMTC Priorities

Final outcome: Prepare a report to LADF Governing and Advisory Boards with recommended priorities for LADF’s pipeline of NMTC investments.

This report should be based on research and interviews, including but not limited to:

- Interview of LADF 5-member Governing Board and 8-member Advisory Board
- Review data regarding location and industries of LADF’s historical and existing portfolio.
- Identify low-income communities in the City of Los Angeles suffering from little or no new infusion of capital. Interview appropriate stakeholders, including but not limited to: City Council Member and/or staff, CDFIs and CDCs active in those communities, Chambers of Commerce and other business associations targeting those communities, other active community groups. May include hosting local town hall meetings in those communities.
- Identify appropriate local industries suffering from little or no new infusion of capital needed to expand the businesses and/or the industry. Interview appropriate stakeholders, including but not limited to” Chambers of Commerce and other business associations targeting those industries.

Steps:

- Identify industries and communities
- Interview appropriate stakeholders
- Present draft findings to LADF Boards and incorporate Board comments, concerns, and questions.
- Present final report to LADF Board.

Small Loan Program

Design a Small Loan Program for LADF non-NMTC capital.

- Goals include:
 - Identify appropriate local industries suffering from little or no new infusion of capital needed to expand the businesses and/or the industry. These businesses and/or industries, with LADF loan, should be able to expand services and create new jobs for low-income and/or unemployed residents of the City of Los Angeles.
 - Research the capital needs of the industries/ businesses identified
 - Design an appropriate loan program or programs
 - Present initial findings to LADF Boards and incorporate Board comments, concerns, and questions.
 - Present final report to LADF Board.

- Final Report should include:
 - Targeted industries/ businesses
 - Recommended loan terms, including loan pricing, interest rate, and term
 - Recommended staffing requirements and possible loan servicers
 - Proforma income statement with 5 years of projections, including estimate of employee and loan servicer costs and an estimated loan loss.

Tab 4



LOS ANGELES DEVELOPMENT FUND

Request for Proposal #008 Economic Development Consultant

May XX, 2022

EXHIBIT A STATEMENT OF WORK

ECONOMIC DEVELOPMENT CONSULTING SERVICES

SCOPE OF SERVICES

The proposal and the final products should include, but are not limited to, the services in the list below. Your firm should add appropriate items based on your experience and what you believe will provide the best direction and results for the LADF.

Final outcome: Report to LADF Governing and Advisory Boards with recommendations of means by which the Los Angeles Development Fund can better implement its mission to support the City of Los Angeles' economic development objectives.

This report should be based on research and interviews, including but not limited to:

- Interview of LADF 5-member Governing Board and 8-member Advisory Board
- Interview of relevant City officials, including but not limited to CAO, EWDD executive staff, LAHD executive staff, and City Attorney
- Review of Los Angeles City Charter
- Review of previous reports on a similar matter commissioned by the City of Los Angeles, including but not limited to the Dec 2012 report by HR&A entitled "ECONOMIC DEVELOPMENT IN LOS ANGELES: A NEW APPROACH FOR A WORLD CLASS CITY"

This report should include, but not be limited to, the following:

- Identify pros and cons of various structures that could facilitate LADF providing this support and how any potential roadblocks may be overcome. May include suggestions of changes to the City Charter
- Identify necessary changes, if any, to LADF organizational documents
- Identify how the proposed relationship between LADF and the City should be documented
- Specific staffing recommendations

-
- Specific fee recommendations, if any
 - Proforma 5-year income statement incorporating any costs and revenue arising from a revised relationship between LADF and the City of Los Angeles

Creation of this report should include, but not be limited to:

- Conduct necessary research and interviews
- Present draft findings to LADF Boards
- Incorporate and address Board comments, concerns, and questions
- Present final report to LADF Board.

Tab 5

SHAKESPEARE CENTER OF LOS ANGELES

Developer:	The Shakespeare Center of Los Angeles, Inc.		
Project Type:	Live Theater/Arts Facility, Substantial Rehabilitation		
Description:	Project will repurpose 22,000 SF in the Westlake neighborhood of Los Angeles into a fully equipped convertible rental income generating sound stage, 300 seat theater, cultural and educational enrichment facility, as well as workforce training center. The sponsor's programs focus on employment and empowerment of poverty-threshold youth 15-24 and chronically unemployed and honorably discharged military veterans. The new community cultural facility will provide sponsor with the space and amenities to offer its programs year-round, enabling the expansion of the number of paid program participants.		
Location:	1238 W 1st Street, Los Angeles, CA 90026 (CD 1)		
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 33.2% Poverty Rate (greater than 20% and 30%) ➤ 47.8% of Metro/State Median Income (less than 80% and 60%) 		
Estimated TDC/ NMTC Allocation:	TDC: \$ 12,000,000	Total QEI: \$ 12,000,000	LADF QEI: \$ 12,000,000
Potential Sources of Funds:	Capital Campaign (grants): \$ 8,500,000	Lev. Loan Eligible	
	NMTC Equity (\$0.75 / NMTC): \$ 3,500,000		
Projected Closing:	August 2022		
Current Status:	<ul style="list-style-type: none"> ➤ \$8.5 million in grants secured from State of CA and Ahmanson Foundation, \$3 million EDA grant applied for and pending currently (a portion of these grants require to be allocated to operations) ➤ Construction commencement expected in Q3 2022 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 99 Permanent (16 ret. / 83 new) ➤ New jobs created for 120 youth and 40 veterans per year ➤ Provide equally accessible cultural enrichment to 18,000 students and 2,000 veterans annually ➤ Provide work-readiness training to the students 		

