

# LADF

LOS ANGELES DEVELOPMENT FUND

**Meeting of the  
Governing Board of Directors**

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

**June 12, 2026**

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

**June 12, 2026**

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- 2** Materials regarding Discussion Item B:
  - LADF Pipeline Report
- 3** Materials regarding Approval of Minutes for Board Meeting(s):
  - May 06, 2026
- 4** Materials regarding Action Item A:
  - Investment Memo for Gateways Hospital Effie Street Project
- 5** Materials regarding Action Item D:
  - Memo Regarding Updates to LADF's Underwriting Procedures for CDFI Fund Anti-Discrimination Requirements

# **Tab 1**

## AGENDA

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

To Join in Person: City Hall, Room 1070 | 200 N Spring St, Los Angeles, CA 90012  
To Join via Zoom: Dial (669) 444-9171 US | Meeting ID: 823 4162 2679  
Friday, June 12, 2026 | 01:00 PM to 2:00 PM

AGENDA ITEM	PRESENTER	TAB
<b>Welcome and Call to Order</b>	Frederick Jackson	
<b>Roll Call</b>	Sandra Rahimi	
<b>Public Comment</b>	Frederick Jackson	
<b>1 Discussion Items</b>	Sandra Rahimi	
a. New Governing Board Member introduction: Edwin Gipson		
b. Pipeline Update		Tab 2
c. Election of LADF's new Chief Financial Officer (CFO)		
<b>2 Approval of Minutes for Board Meeting(s) on:</b>	Frederick Jackson	
a. May 6, 2026		Tab 3
<b>3 Action Items</b>	Frederick Jackson	
a. Request for Authorization for LADF President, or his or her delegate, to execute documents to effectuate a \$6,500,000 Sub-Allocation of New Markets Tax Credits for the Gateways Hospital Effie Street Project		Tab 4
b. Request for Authorization to elect a Board-selected individual as Chief Financial Officer (CFO) of the Los Angeles Development Fund and LADF Management, Inc.		
c. Request for Authorization to designate the Board-selected CFO as an authorized signer for all bank accounts controlled by the Los Angeles Development Fund and LADF Management, Inc.		
d. Request for Authorization to update the Los Angeles Development Fund Underwriting Procedures to include the new anti-discrimination provisions required by the CDFI Fund.		Tab 5
<b>4 Future Agenda Items</b>	Frederick Jackson	
a. Final Approval for NMTC Sub-Allocation to the South LA Healthy Food Project		
b. Final Approval for NMTC Sub-Allocation and Source Loan to the Reseda Theater Project		
c. Request for authorization to submit an application for the NMTC 2026 CY Round.		
<b>5 Next Meeting Date and Time of Governing Board</b>	Frederick Jackson	
Thursday, July 9, 2026, 2:30 PM – 4:00 PM		
<b>Adjournment</b>	Frederick Jackson	

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) 973-2403. **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

LOS ANGELES DEVELOPMENT FUND

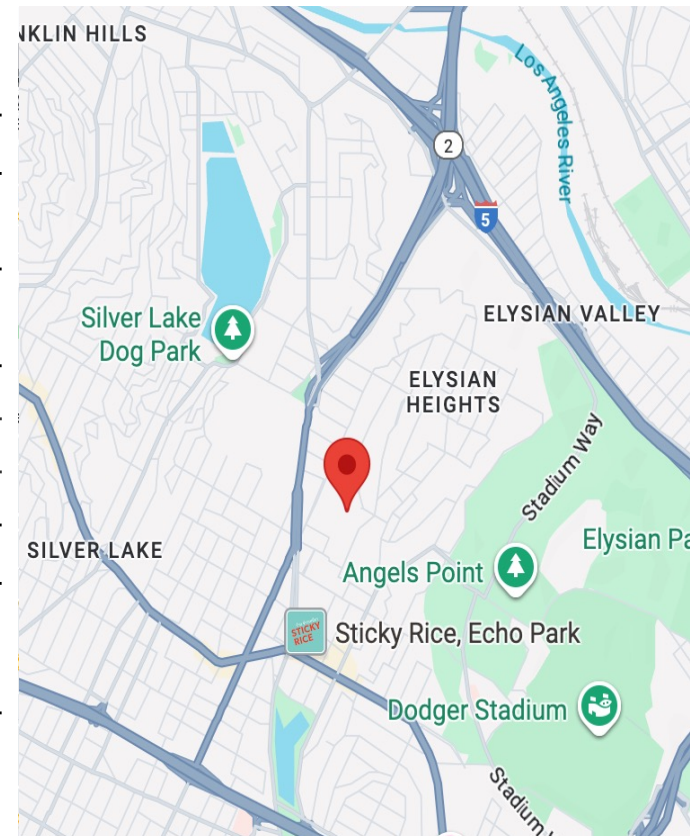
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## **PIPELINE PROJECT PRESENTATION**

**LADF Board Meeting  
June 2026**

# GATEWAYS HOSPITAL – EFFIE STREET

<b>Developer:</b>	Gateways Hospital									
<b>Project Type:</b>	New Construction; Adolescent Acute Care Hospital									
<b>Description:</b>	<p>The project is located in Los Angeles' Echo Park neighborhood and involves the construction of a <b>27,000 square foot</b> expansion to Gateways Hospital's adolescent acute care facility. This expansion will <b>add 37 new inpatient beds</b> dedicated to adolescents experiencing severe mental health crises.</p> <p>The facility will also host a <b>robust training program</b> for up to <b>80 undergraduate, graduate, and post-doc students</b> annually from regional universities, preparing students in nursing, psychology, occupational therapy, and related fields.</p> <p>Gateways Hospital, founded in 1953, is a nonprofit that serves an average of <b>1,700 individuals</b> annually, including more than <b>525 adult and adolescent</b> inpatients with severe mental illness and co-occurring substance use disorder. The new inpatient unit will provide structured care, including individual and group therapies (Cognitive-Behavioral, Psychoanalytic, Mentalization-Based, EMDR, Biofeedback, etc.), medication management, and specialized support for co-occurring substance use disorders.</p>									
<b>Location:</b>	1891 Effie Street, Los Angeles, CA 90026 ( <b>CD 13</b> )									
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>78.7%</b> of Metro/State Median Income (<i>less than 80%</i>)</li> <li>➤ <b>Targeted Populations</b> (<i>greater than 60% of patients served are LIPs</i>)</li> </ul>									
<b>Estimated TDC &amp; NMTC Allocation:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$ 59,700,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 25,500,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 6,500,000</td> </tr> </table>	Budget:	\$ 59,700,000	Total QEI:	\$ 25,500,000			LADF QEI:	\$ 6,500,000	
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<b>Potential Sources of Funds:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">State BHCIP Grant:</td> <td style="width: 20%;">\$ 19,200,000</td> <td style="width: 40%; text-align: right;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>Sr. Tax-Exempt Bond Financing:</td> <td>\$ 32,700,000</td> <td></td> </tr> <tr> <td>NMTC Equity (\$0.78 / NMTC):</td> <td>\$ 7,800,000</td> <td></td> </tr> </table>	State BHCIP Grant:	\$ 19,200,000	<b>Lev. Loan Eligible</b>	Sr. Tax-Exempt Bond Financing:	\$ 32,700,000		NMTC Equity (\$0.78 / NMTC):	\$ 7,800,000	
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Sr. Tax-Exempt Bond Financing:	\$ 32,700,000									
NMTC Equity (\$0.78 / NMTC):	\$ 7,800,000									
<b>Projected Closing:</b>	July 2026									
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Permitting complete, underground utility &amp; grading started Nov 2024</li> <li>➤ Construction is currently 50% complete</li> <li>➤ Ready for closing anytime pending term sheets from investor and CDEs</li> </ul>									
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>120 Permanent</b> (<i>all created</i>) – <b>80 Construction</b></li> <li>➤ Quality Jobs: <b>100%</b> provided living wages and full benefits</li> <li>➤ Accessible Jobs: <b>40%</b> with ≤2-year degree; <b>100%</b> to residents of LIC</li> <li>➤ <b>37 inpatient beds</b> serving <b>168 adolescents annually</b> (all qualify for Medi-Cal)</li> </ul>									



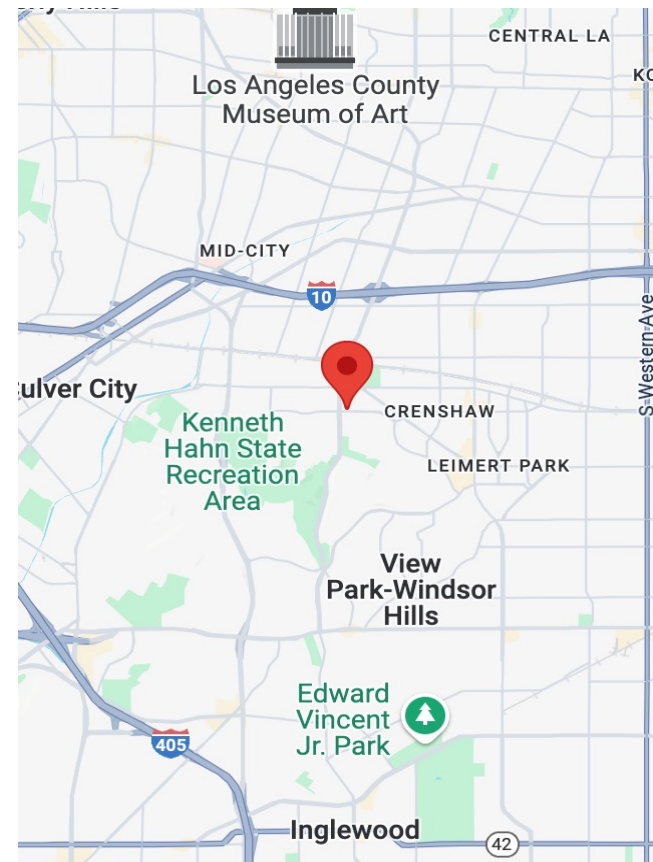
# RESEDA THEATRE

<b>Developer:</b>	Azure Community Development, Inc.															
<b>Project Type:</b>	Renovation; Entertainment and Small Business Incubator															
<b>Description:</b>	The Reseda Theater & Public Market project is revitalizing a historic <b>15,860 square foot</b> theater in Downtown Reseda into a vibrant community space. Managed by Azure Community Development, the project focuses on low-income, BIPOC communities, featuring a food hall with six tenants across <b>300-1,000 square feet</b> each, a <b>92-seat</b> craft beer garden, two movie theaters totaling 100 seats, and a weekday community meeting space. Tenants will benefit from interest-free, forgivable <b>\$50,000 start-up loans</b> and <b>20-25%</b> below-market rent. This initiative is set to rejuvenate a once-thriving area, significantly affected since the 1970s, by promoting local business & community engagement in a historically rich location.															
<b>Location:</b>	18447 West Sherman Way, Los Angeles, CA 91335 ( <b>CD 3</b> )															
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➢ <b>55.7%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> <li>➢ Designated <b>Opportunity Zone</b></li> </ul>															
<b>Estimated TDC &amp; NMTC Allocation:</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$ 16,000,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 16,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 7,000,000</td> </tr> </table>	Budget:	\$ 16,000,000	Total QEI:	\$ 16,000,000			LADF QEI:	\$ 7,000,000							
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<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%;">\$ 700,000</td> <td style="width: 20%;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>City of LA Sect. 108 &amp; Grants:</td> <td>\$ 6,900,000</td> <td><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>CDFI Loan:</td> <td>\$ 2,850,000</td> <td><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>LADF Loan (<i>requested</i>):</td> <td>\$ 500,000</td> <td><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>NMTC Equity (\$0.81 / NMTC):</td> <td>\$ 5,050,000</td> <td></td> </tr> </table>	Sponsor Equity:	\$ 700,000	<b>Lev. Loan Eligible</b>	City of LA Sect. 108 & Grants:	\$ 6,900,000	<b>Lev. Loan Eligible</b>	CDFI Loan:	\$ 2,850,000	<b>Lev. Loan Eligible</b>	LADF Loan ( <i>requested</i> ):	\$ 500,000	<b>Lev. Loan Eligible</b>	NMTC Equity (\$0.81 / NMTC):	\$ 5,050,000	
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LADF Loan ( <i>requested</i> ):	\$ 500,000	<b>Lev. Loan Eligible</b>														
NMTC Equity (\$0.81 / NMTC):	\$ 5,050,000															
<b>Projected Closing:</b>	Q2 2026															
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➢ Permits issued Nov 2025; Construction commenced</li> <li>➢ Financing: Pending commitment for \$3.4MM debt, including CDFI loan and proposed \$500,000 loan from LADF</li> </ul>															
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➢ Jobs: <b>42 Permanent</b> (<i>all created</i>) – <b>45 Construction</b></li> <li>➢ Latina-led and -controlled non-profit. The GC is also an <b>MBE</b>.</li> <li>➢ Start-Up Loan Program: Up to <b>\$50k</b> forgivable loans for tenant start-ups, <b>25%</b> forgiven annually over 4 years if business remains operational.</li> <li>➢ Sponsor to recruit food tenants via local <b>WorkSource entrepreneurship program</b>; tenants to have at least 1 site (e.g. food truck) for business growth</li> </ul>															



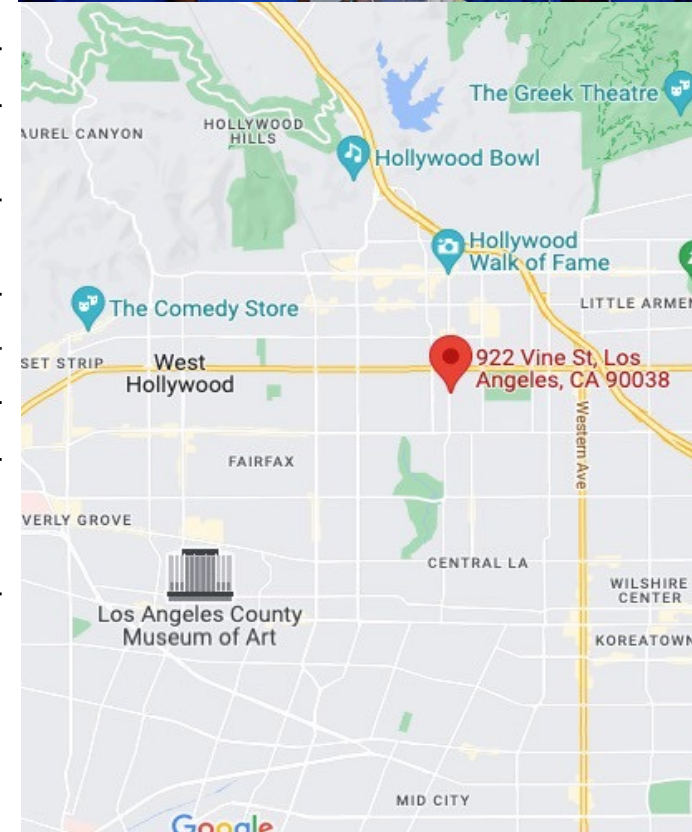
# SOUTH LA HEALTHY FOOD / COSTCO

<b>Developer:</b>	Thrive Living									
<b>Project Type:</b>	New Construction – Full-Service Costco In an Affordable Housing Complex									
<b>Description:</b>	<p>This project involves the construction of a <b>full-service Costco</b> store with four floors of subterranean parking, providing residents with access to healthy foods in a <b>USDA-designated Food Desert</b>. Thrive Living is also developing a <b>\$327 million, 800-unit housing complex</b> above Costco, with <b>184 units</b> designated as affordable housing for tenants earning below 80% AMI. This project addresses a severe housing shortage while creating a community-focused, transit-oriented development in <b>South LA</b>.</p> <p>Thrive Living is a real estate developer dedicated to addressing the housing crisis in Los Angeles through a community-centered approach. Thrive collaborates with over 30 local organizations to address urgent needs in disadvantaged neighborhoods. Before initiating this project, Thrive spent 18 months gathering input from a local resident focus group, which led to a partnership with Costco to provide a much-needed healthy food option in the area.</p>									
<b>Location:</b>	5035 Coliseum St. Los Angeles, CA 90016 ( <b>CD 10</b> )									
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>27.0%</b> Poverty Rate (<i>greater than 20%</i>)</li> <li>➤ <b>44.2%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> </ul>									
<b>Estimated TDC &amp; NMTC Allocation:</b>	<table border="0" style="width: 100%;"> <tr> <td>Budget:</td> <td style="text-align: right;">\$ 119,400,000</td> <td>Total QEI:</td> <td style="text-align: right;">\$ 70,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td style="text-align: right;">\$ 6,500,000</td> </tr> </table>	Budget:	\$ 119,400,000	Total QEI:	\$ 70,000,000			LADF QEI:	\$ 6,500,000	
Budget:	\$ 119,400,000	Total QEI:	\$ 70,000,000							
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<b>Potential Sources of Funds:</b>	<table border="0" style="width: 100%;"> <tr> <td>Sponsor Equity :</td> <td style="text-align: right;">\$ 29,830,000</td> <td style="text-align: right;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>Senior Debt:</td> <td style="text-align: right;">\$ 67,730,000</td> <td></td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td style="text-align: right;">\$ 21,840,000</td> <td></td> </tr> </table>	Sponsor Equity :	\$ 29,830,000	<b>Lev. Loan Eligible</b>	Senior Debt:	\$ 67,730,000		NMTC Equity (\$0.80 / NMTC):	\$ 21,840,000	
Sponsor Equity :	\$ 29,830,000	<b>Lev. Loan Eligible</b>								
Senior Debt:	\$ 67,730,000									
NMTC Equity (\$0.80 / NMTC):	\$ 21,840,000									
<b>Projected Closing:</b>	Q3 2026									
<b>Current Status:</b>	Property acquired in 2019, permits issued in Feb 2026									
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>290 Permanent</b> (<i>all created</i>) – <b>508 Construction</b></li> <li>➤ Quality Jobs: <b>100%</b> provided living wages and full benefits</li> <li>➤ Accessible Jobs: <b>96%</b></li> <li>➤ Estimated to serve <b>223,000</b> community members annually.</li> <li>➤ <b>Social Services:</b> Partners with local nonprofits for job training and hiring, offering benefits for employees and their dependents.</li> </ul>									



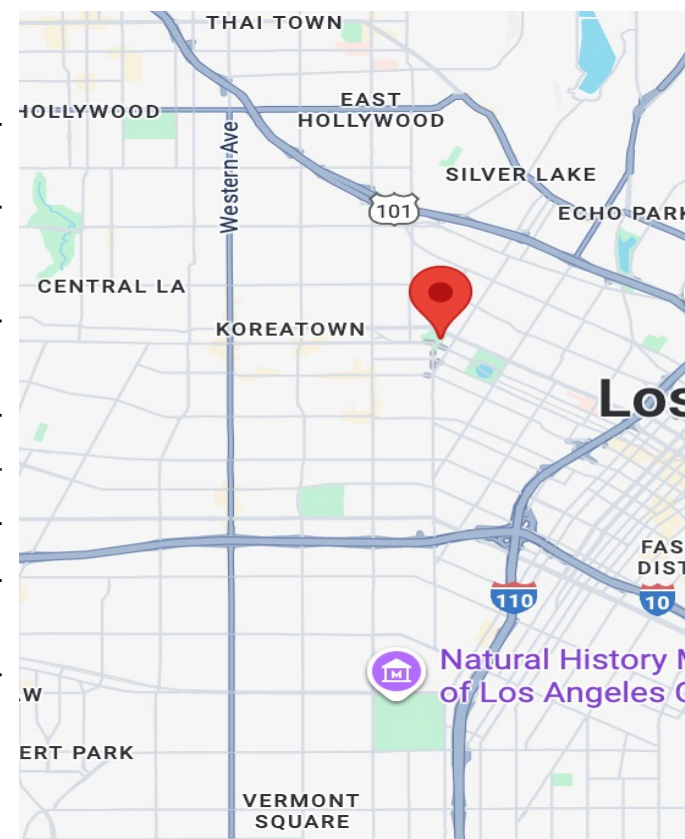
# PROJECT ANGEL FOOD (PHASE II)

<b>Developer:</b>	Project Angel Food (a non-profit organization)		
<b>Project Type:</b>	New Construction / Office & Community Space		
<b>Description:</b>	<p>Project is the new construction of a <b>15,000 SF facility</b> that will complete the Project Angel Food ("PAF") campus. The new campus will allow PAF to increase its production of Medically Tailored Meals by 240%. Phase II will house PAF's expanded administrative offices, PAF's Research and Policy Institute, one-on-one nutrition counseling services, expanded client services department, demonstration kitchen, community space, as well as enhance the programming at the Phase I site across the street (financed by LADF in March 2024).</p> <p>Once completed in 2027, the two buildings will comprise a 32,000 SF campus that will allow PAF to prepare and deliver over 3,000,000 medically-tailored meals ("MTMs") annually and significantly expand the on-site programming that PAF provides to its clients.</p>		
<b>Location:</b>	960 Vine Street, Los Angeles CA 90038 (CD 13)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➢ <b>20.5%</b> Poverty Rate (greater than 20%)</li> <li>➢ <b>50.8%</b> of Metro/State Median Income (less than 80% and 60%)</li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 31,600,000	Total QEI: \$ 30,000,000 LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Sponsor Capital Campaign:	\$ 22,700,000	<b>Lev. Loan Eligible</b>
	NMTC Equity (\$0.76 / NMTC):	\$ 8,900,000	
<b>Projected Closing:</b>	Q4 2026		
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➢ Building permits: expect RTI permits in Q3 2026</li> <li>➢ GC contract: expect GC selection in Q3 2026</li> <li>➢ Capital campaign: \$12.6mm of \$22.7mm raised as of Q3 2025</li> </ul>		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➢ Jobs: <b>60 Permanent</b> (11 created / 49 ret.) – <b>34 Construction</b></li> <li>➢ Quality Jobs: <b>80%</b> Living Wages and <b>100%</b> with benefits</li> <li>➢ Accessible Jobs: <b>30%</b> accessible to individuals with HS diploma or less</li> <li>➢ Research &amp; Policy Institute: enable PAF to expand its research, educate healthcare practitioners and consumers, and share findings and best practices for improved service delivery and healthcare transformation throughout Los Angeles and the world.</li> </ul>		



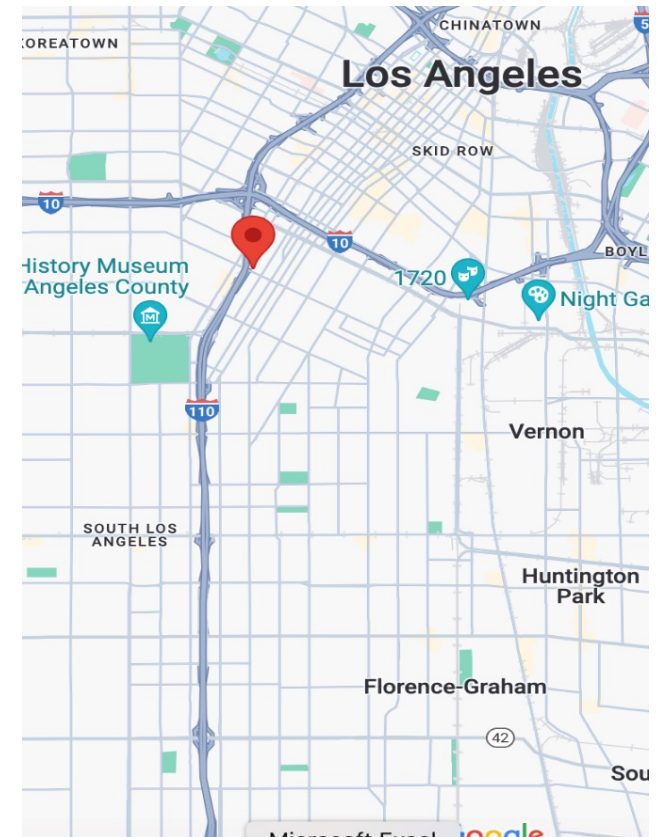
# HEART OF LOS ANGELES (Working Capital)

<b>Developer:</b>	Heart of Los Angeles		
<b>Project Type:</b>	Working Capital; Free Afterschool Program to Underserved Youth		
<b>Description:</b>	<p>Heart of Los Angeles (HOLA) is a nonprofit that provides free, high-quality after-school programs in academics, arts, music, and athletics to underserved youth. With NMTC financing, HOLA will expand from its Central LA base into South LA, bringing proven programs to severely distressed neighborhoods. This expansion will grow the number of youth served annually from <b>2,400 to 5,000</b>, offering academic enrichment, STEM, visual arts, athletics, music, and wrap-around family services.</p> <p>HOLA's programs have led to <b>100% high school graduation</b> and <b>95% college enrollment</b> for participants, compared to local graduation rates of <b>47-61%</b> and college attainment rates of <b>8-15%</b>.</p> <p>Heart of LA has received broad support from City, State, and community leaders, including Governor Gavin Newsom, Mayor Karen Bass, LA City Councilmembers, LA County Supervisor Holly Mitchell, education officials, and cultural partners such as UCLA, USC, and the LA Philharmonic.</p>		
<b>Location:</b>	<b>11 sites</b> across Central & South Los Angeles, including Watts, Crenshaw, Florence-Firestone, and Westlake (all severely distressed census tracts)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ All severely distressed tracts)</li> <li><b>5 in Central LA</b> (all severe/deep distress, 24-40% poverty, 37-49% AMI, 1.1-1.8x UE)</li> <li><b>6 in South LA</b> (all severe/deep distress, 21-40% poverty, 34-64% AMI, 1.8-4.1x UE)</li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 30,000,000	Total QEI: \$ 30,000,000 LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Fundraising and Donations:	\$ 20,640,000	
	NMTC Equity (\$0.80 / NMTC):	\$ 9,360,000	
<b>Projected Closing:</b>	Able to close as soon as allocation is secured		
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Permitting complete (HCAI approvals finalized)</li> <li>➤ Underground utility and grading work started Nov. 2024</li> </ul>		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>88 Permanent</b> (6 created / 82 retained)</li> <li>➤ Quality Jobs: <b>100%</b> with benefits; <b>75%</b> pay &gt; MIT living wages;</li> <li>➤ Students Served: Currently <b>2,400</b>, growing to <b>5,000 annually</b></li> <li>➤ Expands arts, STEM, music, and academic enrichment to underserved South LA</li> </ul>		



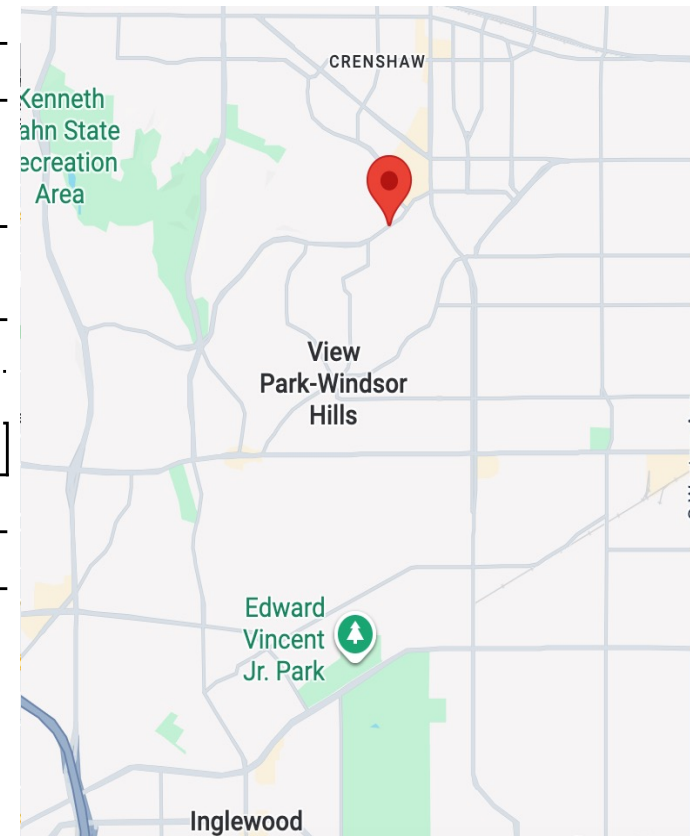
# LUSKIN ORTHOPAEDIC INSTITUTE FOR CHILDREN

<b>Developer:</b>	The Luskin Orthopaedic Institute for Children		
<b>Project Type:</b>	Expansion; Critical healthcare facility for Low-Income Children & Adults		
<b>Description:</b>	<p>The Luskin Orthopaedic Institute for Children (“OIC”) is undertaking an expansion project to enhance orthopedic services in south Los Angeles, a community with notable medical needs. This initiative will provide expanded <b>orthopaedic services</b> to adult patients and establish an advanced imaging center equipped with an MRI and a Hi Rise Curve Beam CT Scanner. In addition, the project covers the expansion of the existing physical and occupational therapy facility, the ambulatory surgery center, and renovation of the existing <b>117,000 SF</b> buildings for better accessibility for patients and their families. Previously, in 2017, OIC carried out a NMTC transaction to construct a new Ambulatory Surgery Center and expand its urgent care and fracture clinic. This served primarily the Medi-Cal managed population, uninsured, and underinsured (&gt;<b>85% low-income children</b>) from nearby areas. The expansion is projected to bring in <b>5,000 more visits</b> annually and double the surgical volume, accommodating an <b>extra 650 cases</b> yearly.</p>		
<b>Location:</b>	403 West Adams Boulevard, Los Angeles, CA 90007 (CD 9)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>38.2%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>30.0%</b> of Metro/State Median Income (less than 80% and 60% and 40%)</li> <li>➤ Designated <b>Opportunity Zone</b></li> <li>➤ Located adjacent to a Designated Medically Underserved Area</li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget: \$ 20,000,000	Total QEI: \$ 20,000,000	LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Sponsor Sources (TBD):	\$ 13,760,000	<b>Lev. Loan Eligible</b>
	NMTC Equity (\$0.80 / NMTC):	\$ 6,240,000	
<b>Projected Closing:</b>	TBD		
<b>Current Status:</b>	➤ Currently own the subject property and there is no entitlement risk		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>205 Permanent</b> (20 created / 185 ret.) – <b>60 Construction</b></li> <li>➤ Quality Jobs: <b>100%</b> Living Wages   Accessible Jobs: <b>70%</b> LIPs/LIC residents</li> <li>➤ Introduction of <b>MRI and Hi Rise CurveBeam CT Scanner</b>.</li> <li>➤ Expansion of therapy facility &amp; ASC with second surgical suite.</li> <li>➤ Building enhancements for mobility; outcomes: <b>5,000 additional visits</b> annually and doubling surgeries with an extra <b>650 cases</b> annually</li> </ul>		



# STOCKER STREET CREATIVE

<b>Developer:</b>	4S Bay (WMBE-led)		
<b>Project Type:</b>	207,200 SF Community-focused multi-use campus development		
<b>Description:</b>	<p>The Stocker Street Creative campus in Los Angeles will serve as a community-driven creative and entrepreneurial hub, integrating film and TV production facilities, business incubation space, and a food hall to support local culinary entrepreneurs. The <b>207,200-square-foot</b> project will also host workforce development and professional training programs focused on <b>BIPOC creatives</b>.</p> <p>The mixed-use development includes: 15,034 SF (retail), 59,895 SF (office), 11,583 SF (production mills), 38,160 SF (production offices and support areas), and 82,555 SF (soundstages).</p> <p>Beyond its physical footprint, the project is designed to strengthen minority-owned businesses by prioritizing MBE contracting, consulting, and supplier participation. Through these initiatives, the campus will provide access to production infrastructure, business mentorship, and local workforce pipelines.</p>		
<b>Location:</b>	3701–3761 Stocker Street, Los Angeles, CA 90008 (CD 8)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>21.0%</b> Poverty Rate (<i>greater than 20%</i>)</li> <li>➤ <b>79.0%</b> of Metro/State Median Income (<i>less than 80%</i>)</li> <li>➤ Severe Distress Criteria: <i>Food Desert</i> and <i>FEMA Disaster Declaration</i></li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 338,600,000	Total QEI: \$ 50,000,000 LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Sponsor Equity:	\$245,800,000	<b>Lev. Loan Eligible</b>
	PACE Loan:	\$ 77,200,000	
	NMTC Equity (\$0.80 / NMTC):	\$ 15,600,000	
<b>Projected Closing:</b>	Q3 2026		
<b>Current Status:</b>	CEQA cleared; anticipating RTI permits by July 2026		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>907 permanent</b> (<i>all created</i>) – <b>1,351 Construction</b></li> <li>➤ Quality Jobs: <b>100%</b> Living Wages</li> <li>➤ Workforce Development: Professional training and apprenticeship opportunities for BIPOC creatives</li> <li>➤ Business incubation and support for minority-owned enterprises</li> <li>➤ Community Access: Local programming, food hall promoting small culinary vendors</li> <li>➤ Economic Inclusion: Prioritization of MBE-led contracting and consulting firms</li> </ul>		



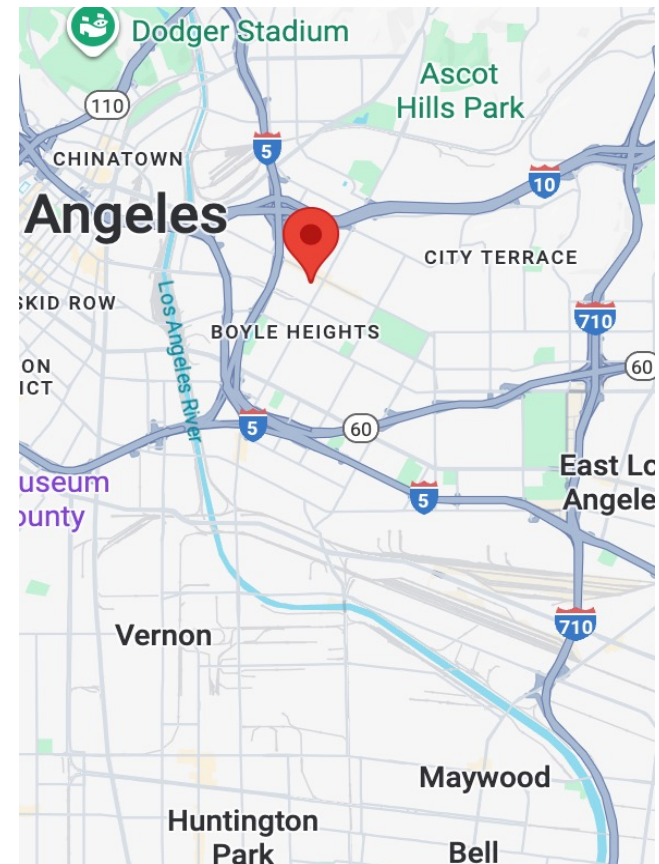
# TRANSLATIN@ COALITION NEW CENTER

<b>Developer:</b>	Translatin@ Coalition		
<b>Project Type:</b>	New Construction; Behavioral Health and Social Enterprise Facility		
<b>Description:</b>	<p>The project is a new behavioral health and community services center, incorporating a social enterprise model to generate sustainability through an on-site café/restaurant, boutique, and beauty salon. The facility will offer comprehensive programs including mental health services, reentry support, housing assistance, HIV prevention, aging services, workforce and economic development, violence prevention, substance use prevention, legal advocacy, mentoring, leadership development, training, and policy initiatives. A gender-affirming health clinic is also planned. By 2027, the center expects to <b>employ 120 staff</b>, almost doubling current <b>employment from 64</b>, and significantly expanding its reach to vulnerable and underserved populations.</p> <p>The Translatin@ Coalition provides culturally competent services for transgender, gender nonconforming, and intersex (TGI) communities.</p>		
<b>Location:</b>	5314 W. Sunset Blvd., Los Angeles, CA 90027 (CD 13)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>39.7%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>67.5%</b> of Metro/State Median Income (less than 80%)</li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 25,000,000	Total QEI: \$ 25,000,000 LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Sponsor Equity:	\$ 200,000	<b>Lev. Loan Eligible</b>
	CA DHCS Grant (committed):	\$ 17,000,000	
	NMTC Equity (\$0.80 / NMTC):	\$ 7,800,000	
<b>Projected Closing:</b>	2026		
<b>Current Status:</b>	➤ State funding is secured, the site is in an eligible census tract, LADF has confirmed strong community impact for NMTC qualification, and a consultant is needed to structure financing and attract CDE commitments.		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>120 Permanent</b> (56 created / 64 retained) – TBD Construction</li> <li>➤ Accessible Services: Comprehensive behavioral health, workforce, reentry, and healthcare for TGI communities</li> <li>➤ Social Enterprise: Café, boutique, and salon to provide jobs and revenue sustainability</li> <li>➤ Equity &amp; Inclusion: Gender-affirming health services and holistic support for vulnerable populations</li> </ul>		



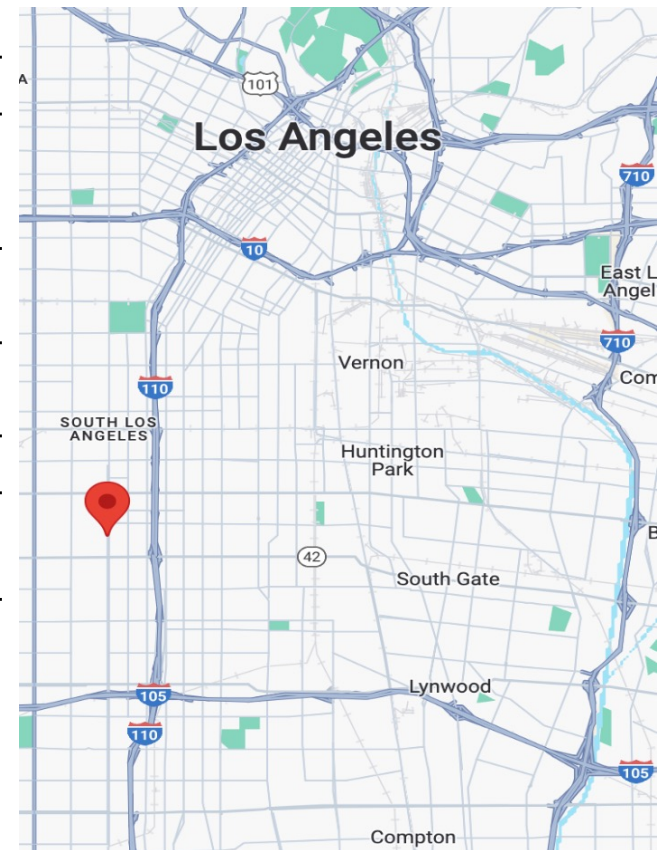
# BREED STREET SHUL

<b>Developer:</b>	Breed Street Shul Project, Inc, a 501(c)3 nonprofit corporation		
<b>Project Type:</b>	Historic Rehabilitation and Adaptive Reuse; Community Center		
<b>Description:</b>	<p>The project involves the restoration and adaptive reuse of the 1923 Breed Street Shul, a National Register of Historic Places landmark, into a multifunctional community hub for arts, culture, education, and social services. The <b>9,650 SF</b> building, located in the heart of Boyle Heights, will include flexible performance spaces, exhibition areas, meeting rooms, and nonprofit offices to serve the local community.</p> <p>The rehabilitation project combines Federal Historic Tax Credits with a New Markets Tax Credit (NMTC) investment, revitalizing the 1923 building that has been vacant since the 1980s while honoring the area's Jewish heritage and serving the Jewish, Latino, Asian American Pacific Islander and other communities that live in Boyle Heights today.</p>		
<b>Location:</b>	247 North Breed Street, Los Angeles, CA 90033 (CD 14)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>30.3%</b> Poverty Rate (<i>greater than 20% and 30%</i>)</li> <li>➤ <b>35.8%</b> of Metro/State Median Income (<i>less than 80% and 60% and 40%</i>)</li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 26,000,000	Total QEI: \$ 20,000,000 LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Sponsor Equity:	\$ 1,000,000	<b>Lev. Loan Eligible</b>
	State of California Grant:	\$ 14,900,000	<b>Lev. Loan Eligible</b>
	Federal Historic Tax Credits (HTC):	\$ 4,000,000	
	NMTC Equity (\$0.78 / NMTC):	\$ 6,100,000	
<b>Projected Closing:</b>	2026		
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Construction began in March 2024 with completion expected July 2026</li> <li>➤ National Park Service Part 2 Historic Approval received February 2025</li> </ul>		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>12 Permanent – 25 Construction</b></li> <li>➤ <b>8,000 sq ft</b> of community space for performances, exhibits, and educational events.</li> <li>➤ Prospective nonprofit tenants (currently Bet Tzedek &amp; Proyecto Pastoral) will offer free legal, housing, and youth services to 3,000+ residents / year.</li> <li>➤ <b>Below-market rents (20–30% less)</b> to nonprofits; facility also serves as a polling place, food site, and health clinic during community needs.</li> </ul>		



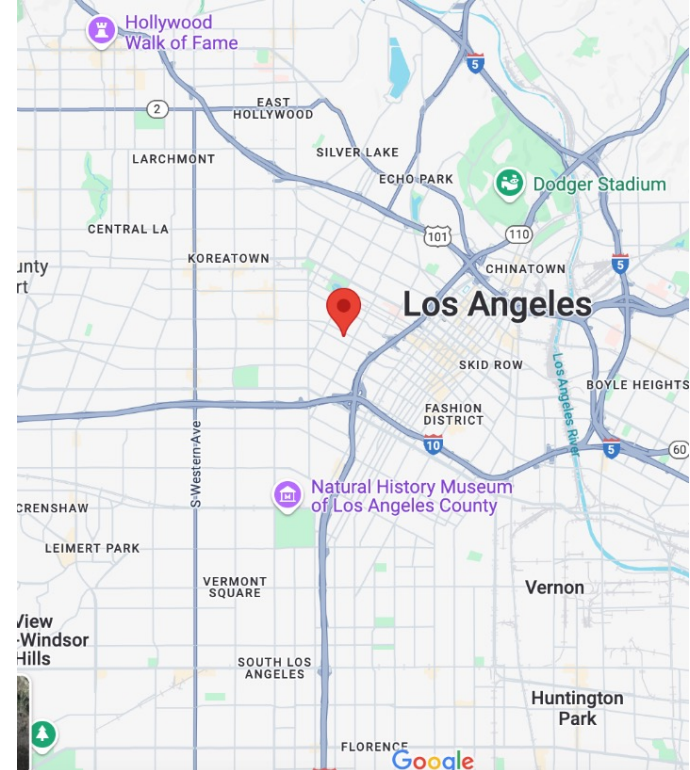
# CENTER FOR COMMUNITY ORGANIZING

<b>Developer:</b>	Community Coalition (CoCo)								
<b>Project Type:</b>	New Construction; Community Facility								
<b>Description:</b>	Community Coalition (CoCo) is significantly involved in the social justice movement, focusing on engaging Black and Brown communities in South LA for more than 30 years. Their activities include organizational assessments, stakeholder interviews, and leadership pipeline development. In collaboration with Building Movement Project and Community Change, CoCo aims to establish a leadership network by engaging with over 20 base-building organizations across various cities. This involves addressing the needs within the progressive movement. CoCo's accomplishments also feature successful fundraising, having raised over \$11 million in two years and obtaining land for housing. Furthermore, they have launched a training program that has educated over 100 organizers from 39 organizations between 2019 and 2023. This initiative demonstrates a comprehensive approach to developing power and capacity in social justice movements, ranging from grassroots organizing to resource acquisition and leadership training.								
<b>Location:</b>	7514, 7518-7526 S Vermont Ave. Los Angeles, CA 90044 (CD 8)								
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>34.9%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>48.8%</b> of Metro/State Median Income (less than 80% and 60%)</li> <li>➤ <b>2.11x</b> National Avg. Unemployment Rate (greater than 1.5x)</li> </ul>								
<b>Estimated TDC &amp; NMTA Allocation:</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%;">Budget:</td> <td style="width: 25%;">\$ 40,000,000</td> <td style="width: 25%;">Total QEI:</td> <td style="width: 25%;">\$ 30-40 million</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ TBD</td> </tr> </table>	Budget:	\$ 40,000,000	Total QEI:	\$ 30-40 million			LADF QEI:	\$ TBD
Budget:	\$ 40,000,000	Total QEI:	\$ 30-40 million						
		LADF QEI:	\$ TBD						
<b>Potential Sources of Funds:</b>	The project is actively seeking potential sources of funds								
<b>Projected Closing:</b>	Q1 2027								
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Current progress includes strategic planning, which involves developing a sustainability plan, fundraising for program development, finalizing the design of new programs, and beginning construction of a state center for CoCo.</li> </ul>								
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Job Creation and Retention: TBD</li> <li>➤ Aim to <b>triple their student reach to 1,500 students</b> within the next two years, moving beyond their current annual reach of 400-500 students across five South LA high schools (Crenshaw High School, Washington Prep, Augustus Hawkins, Manual Arts High School, Fremont High School).</li> <li>➤ Educational Impact: Significant positive outcomes in graduation and higher education rates, directly linked to their civic engagement services.</li> <li>➤ Building capacity of organizations led by <i>People of Color</i></li> </ul>								



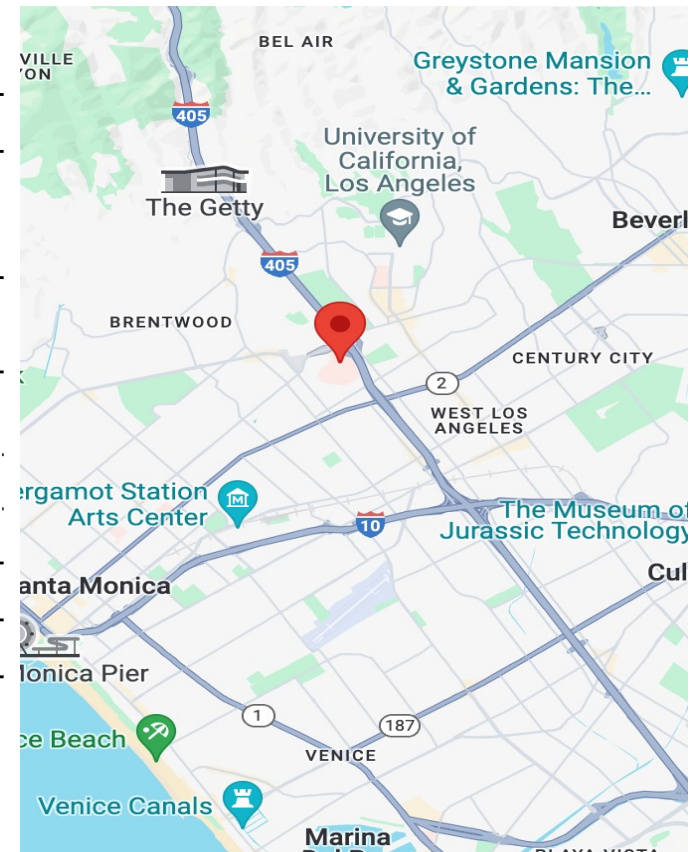
# IMMIGRANT WELCOME AND EMPOWERMENT CENTER

<b>Developer:</b>	Coalition for Humane Immigrant Rights (CHIRLA)		
<b>Project Type:</b>	Renovation; Community Facility		
<b>Description:</b>	<p><b>CHIRLA (Coalition for Humane Immigrant Rights)</b> will utilize New Markets Tax Credits to rehabilitate an abandoned six-story, <b>83,609 SF</b> office building into the Immigrant Welcome and Empowerment Center (IWEC). This project will transform the building into a vibrant community hub offering essential services and resources to California's immigrant population. The IWEC will centralize CHIRLA's administrative functions and expand its programs, including free and low-cost legal services, community education, green workforce development, and advocacy. The facility will also feature key tenants such as a community-operated café and a health clinic, providing access to healthcare for <b>8,000 individuals</b>. Once complete, the center will serve <b>33,900 additional people</b>, with over <b>95% being low-income</b> individuals of color. The project has strong community support, with local immigrant groups and foundations backing the initiative, helping CHIRLA further its mission of empowering immigrant communities and advocating for their rights.</p>		
<b>Location:</b>	1730 W. Olympic Boulevard, Los Angeles, CA 90015 (CD1)		
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>34.0%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>35.8%</b> of Metro/State Median Income (less than 80% and 60%)</li> <li>➤ <b>1.94x</b> National Avg. Unemployment Rate (greater than 1.5x)</li> </ul>		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 85,850,000	Total QEI: \$ 50,000,000 LADF QEI: \$ 9,000,000
<b>Potential Sources of Funds:</b>	Bank or CDFI Loan (no commitment):	\$ 15,000,000	<b>Lev. Loan Eligible</b>
	Sponsor Equity/Grants (in hand):	\$ 34,750,000	<b>Lev. Loan Eligible</b>
	Sponsor Equity/Grants (to-be-raised):	\$ 20,500,000	<b>Not Leveraged</b>
	NMTC Equity (\$0.80/NMTC):	\$ 15,600,000	
<b>Projected Closing:</b>	TBD		
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ CHIRLA acquired the site in Oct 2023 with a Cal State grant</li> <li>➤ Demolition and abatement nearly complete with \$1mm of work remaining</li> </ul>		
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Job Creation: <b>183 Permanent</b> (54 created / 129 retained) – <b>300 Construction</b></li> <li>➤ Serve <b>33,900 additional people</b>, with over 95% being low-income persons of color. Services include free legal aid, immigrant rights hub, and 10 other programs.</li> <li>➤ The community clinic will provide healthcare to <b>8,000 individuals</b></li> <li>➤ CHIRLA and 2 tenants (community café &amp; health clinic) are <b>minority-owned or controlled</b></li> </ul>		



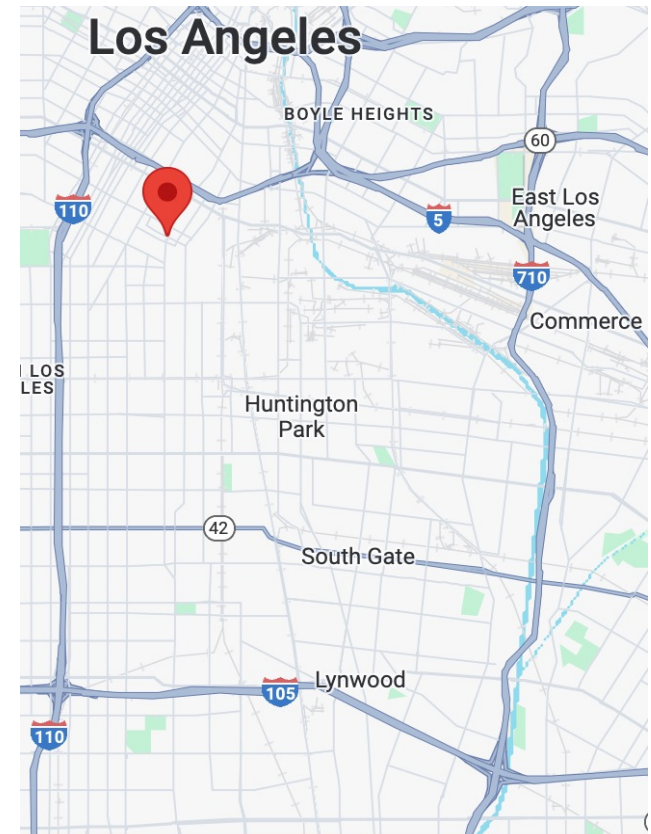
# WADSWORTH CHAPEL

<b>Developer:</b>	U.S. VETS									
<b>Project Type:</b>	Renovation; Mental and Spiritual Wellness Center for veterans.									
<b>Description:</b>	The Wadsworth Chapel, the oldest building on Wilshire Boulevard, was built in 1902 and is located at the entrance of the West LA VA Campus. Damaged by an earthquake in 1971, it has been fenced off and is deteriorating. A transformative redevelopment is planned for the site as part of a broader initiative involving a consortium including U.S. VETS. Founded in 1996, U.S. VETS is a leading non-profit serving 20,000 homeless and at-risk veterans annually with housing, employment, and mental health services, and is redeveloping the West LA VA Campus to provide 1,200 housing units. This project aims to rehabilitate the <b>7,500 SF Wadsworth Chapel</b> , which will become The Center for Spiritual Wellness & Moral Injury Recovery, operated by Volunteers of America (VOA). It will feature programs designed to alleviate veterans' emotional distress and homelessness, including a Moral Injury Recovery Program for <b>360 veterans annually</b> and a non-denominational spiritual space hosting <b>250 events each year</b> .									
<b>Location:</b>	11301 Wilshire Blvd, Los Angeles, CA 90073 (federal land within <b>CD 11</b> )									
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>62.2%</b> Poverty Rate (<i>greater than 20% and 30%</i>)</li> <li>➤ <b>50.4%</b> of Metro/State Median Income (<i>less than 80% and 60%</i>)</li> <li>➤ <b>8.07x</b> National Avg. Unemployment Rate (<i>greater than 1.5x and 2.5x</i>)</li> </ul>									
<b>Estimated TDC &amp; NMTC Allocation:</b>	<table border="0" style="width: 100%;"> <tr> <td>Budget:</td> <td>\$ 32,000,000</td> <td>Total QEI:</td> <td>\$ 28,500,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 14,500,000</td> </tr> </table>	Budget:	\$ 32,000,000	Total QEI:	\$ 28,500,000			LADF QEI:	\$ 14,500,000	
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<b>Potential Sources of Funds:</b>	<table border="0" style="width: 100%;"> <tr> <td>Capital Campaign (inc. 2023 CPF Grant from HUD):</td> <td>\$ 19,600,000</td> <td><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>Historic Tax Credits (bridged):</td> <td>\$ 3,500,000</td> <td></td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 8,900,000</td> <td></td> </tr> </table>	Capital Campaign (inc. 2023 CPF Grant from HUD):	\$ 19,600,000	<b>Lev. Loan Eligible</b>	Historic Tax Credits (bridged):	\$ 3,500,000		NMTC Equity (\$0.80 / NMTC):	\$ 8,900,000	
Capital Campaign (inc. 2023 CPF Grant from HUD):	\$ 19,600,000	<b>Lev. Loan Eligible</b>								
Historic Tax Credits (bridged):	\$ 3,500,000									
NMTC Equity (\$0.80 / NMTC):	\$ 8,900,000									
<b>Projected Closing:</b>	TBD									
<b>Current Status:</b>	➤ Project is on the Historic Register. CA									
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Job Creation: <b>40 Permanent – 150 Construction</b></li> <li>➤ Mental &amp; Spiritual Care for Veterans &amp; Homeless Veterans – The project will <b>serve 360 people</b> per year on-site with its life-changing Moral Injury Recovery Programs (<i>historically the program has served &gt;70% low-income, &gt;60% homeless, 76% BIPOC</i>).</li> </ul>									



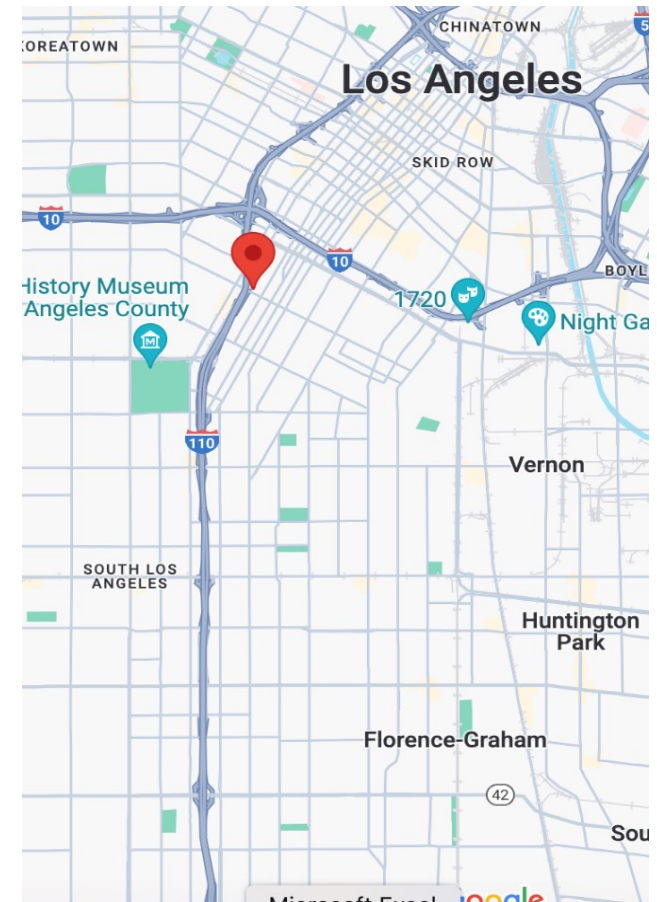
# FQHC – CENTRAL NEIGHBORHOOD FOUNDATION

<b>Developer:</b>	Central Neighborhood Health Foundation									
<b>Project Type:</b>	Federally Qualified Health Center (FQHC) Expansion / Working Capital									
<b>Description:</b>	The Central Neighborhood Health Foundation (“CNHF”) is expanding its healthcare services across Los Angeles, Riverside, and San Bernardino counties, focusing on medically underserved and highly distressed communities. As a <b>Federally Qualified Health Center</b> , CNHF provides essential services such as family and internal medicine, pediatrics, OB/GYN, optometry, dentistry, behavioral health, diabetes management, telehealth, and COVID-19 care. With a New Markets Tax Credit allocation of \$15 million, CNHF aims to <b>increase patient visits by 13%</b> over the next three years, welcoming approximately <b>5,904 new patients and adding 19,211 visits</b> . The project will also generate 16 new full-time jobs while retaining 61 current positions, with a workforce that includes 74% women and 73% minority employees. To extend its reach, CNHF operates from multiple fixed locations, including clinics within Medically Underserved Areas, as well as three mobile units.									
<b>Location:</b>	CNHF operates in 6 highly distressed, 1 qualified, and 3 non-qualified census tracts (including 2 medically underserved areas) and has 3 mobile units. See below 4 locations in Los Angeles: <b>HQ Office:</b> 2700 S Grand Avenue, Los Angeles, CA 90007 (CD9) <b>Central Clinic:</b> 2707 S Central Avenue, Los Angeles, CA 90011 (CD9) <b>Grand Clinic:</b> 2614 S Grand Avenue, Los Angeles, CA 90007 (CD9) <b>Wilshire Specialty Clinic:</b> 1245 W Wilshire Blvd, Los Angeles, CA 90017 (CD1)									
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➢ <b>32.5 to 32.6%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➢ <b>38.0 to 46.0%</b> of Metro/State Median Income (less than 80% and 60%)</li> </ul>									
<b>Estimated TDC &amp; NMTC Allocation:</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">Budget:</td> <td style="width: 25%;">\$ 15,000,000</td> <td style="width: 25%;">Total QEI:</td> <td style="width: 25%;">\$ 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							
<b>Potential Sources of Funds:</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">Sponsor Equity:</td> <td style="width: 20%;">\$ 2,000,000</td> <td style="width: 40%;"><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>Sponsor Equity – <i>Prior Incurred Exp.:</i></td> <td>\$ 8,320,000</td> <td><b>Lev. Loan Eligible</b></td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 4,680,000</td> <td></td> </tr> </table>	Sponsor Equity:	\$ 2,000,000	<b>Lev. Loan Eligible</b>	Sponsor Equity – <i>Prior Incurred Exp.:</i>	\$ 8,320,000	<b>Lev. Loan Eligible</b>	NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000	
Sponsor Equity:	\$ 2,000,000	<b>Lev. Loan Eligible</b>								
Sponsor Equity – <i>Prior Incurred Exp.:</i>	\$ 8,320,000	<b>Lev. Loan Eligible</b>								
NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000									
<b>Projected Closing:</b>	Upon receipt of Allocation									
<b>Current Status:</b>	➢ Seeking NMTC Allocation									
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➢ Jobs: <b>86 Permanent</b> (21 created / 65 retained)</li> <li>➢ Healthcare Access: Expected 13% increase in patients/visits over 3 years (<b>5,904 new patients</b>)</li> <li>➢ Patient Demographics: <b>92% low-income</b> patients, <b>73% minority</b> patients, <b>88% female</b> employees</li> </ul>									



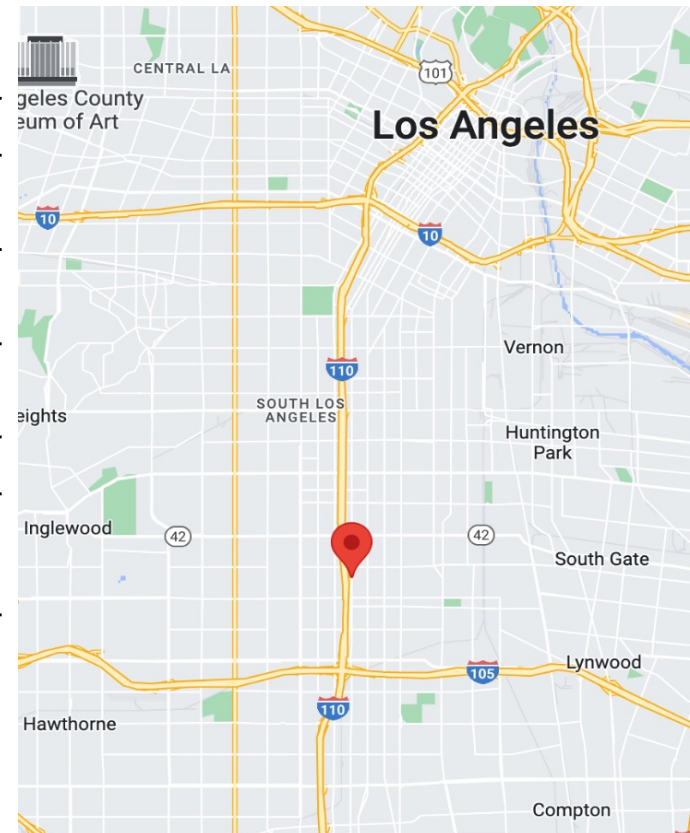
# FQHC – YEHOWA MEDICAL SERVICES

<b>Developer:</b>	Yehowa Medical Service		
<b>Project Type:</b>	Federally Qualified Health Center (FQHC) Expansion / Working Capital		
<b>Description:</b>	<p>Yehowa Medical Services is a Federally Qualified Health Center providing comprehensive clinical and non-clinical services, including medical, dental, behavioral health, alcohol and drug counseling, psychiatry, STD/HIV testing, nutritional counseling, case management, and eligibility assistance. Yehowa Medical Services (YMS) is undergoing significant expansion to better serve South Los Angeles and surrounding areas. With two new locations and a doubled space at its Vermont Avenue facility, YMS is poised to increase its dental services and further extend its community impact. To support this growth, YMS plans to utilize NMTC financing, which is anticipated to <b>boost patient capacity by 20-25%</b>, bringing in an <b>additional 983 to 1,299 patients</b>. Furthermore, a partnership with PIH Health Physicians aims to establish YMS as the exclusive healthcare provider for the Whittier area, with a new clinic projected to open by the end of 2024. This expansion will enable YMS to deepen its commitment to accessible, high-quality care in underserved communities.</p>		
<b>Location:</b>	1039 W Florence Avenue, Los Angeles, CA 90044-2441 (CD8) 11502 S Vermont Avenue, Los Angeles, CA 90044 (CD8) 1037 E Pacific Coast Hwy, Los Angeles, CA 90744 (CD15)		
<b>Census Tract Eligibility (2016-20):</b>	➤ <b>31.0%</b> Poverty Rate ( <i>greater than 20% and 30%</i> ) ➤ <b>44.0 to 55.0%</b> of Metro/State Median Income ( <i>less than 80% and 60%</i> )		
<b>Estimated TDC &amp; NMTC Allocation:</b>	Budget:	\$ 15,000,000	Total QEI: \$ 15,000,000 LADF QEI: \$ 10,000,000
<b>Potential Sources of Funds:</b>	Sponsor Equity:	\$ 1,000,000	<b>Lev. Loan Eligible</b>
	Sponsor Equity – <i>Prior Incurred Exp.:</i>	\$ 9,320,000	<b>Lev. Loan Eligible</b>
	NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000	
<b>Projected Closing:</b>	Upon receipt of Allocation		
<b>Current Status:</b>	➤ Seeking NMTC Allocation		
<b>Community Benefits/Impact:</b>	➤ <b>Jobs: 83 Permanent</b> (20 created / 63 retained) ➤ <b>Patient Increase:</b> 20-25% (983 to 1,299 new patients) ➤ <b>Demographics:</b> 89% Minority & 90% LIP Patients, 53% Women Patients ➤ <b>Employee Demographics:</b> 82% LIP Employees		



# 94<sup>TH</sup> AND BROADWAY

<b>Developer:</b>	94B, LLC								
<b>Project Type:</b>	Mixed use: Grocery Store + 180 units of affordable housing (11% ELI)								
<b>Description:</b>	The site in Council District 8, South Los Angeles, previously home to the Broadway Hospital until its closure in 1988, is undergoing a transformative redevelopment. Spanning roughly <b>5 acres</b> , the site is part of a larger block encompassing Broadway, 94th Street, Spring Street, and Colden Avenue. After the hospital's closure, the area remained vacant, awaiting new development opportunities. This significant <b>redemption project</b> involves converting the site into a vibrant residential and commercial hub. Plans include the construction of <b>180 apartments</b> , with a notable inclusion of <b>20 affordable units</b> , addressing the pressing need for housing in the area. Complementing the residential aspect, a <b>25,000 square foot</b> full-service grocery store is proposed, with ALDI, an affiliate of Trader Joe's, expressing interest through a Letter of Intent to manage it. This grocery store, offering fresh produce options, is particularly significant given the current lack of such amenities in this part of South Los Angeles.								
<b>Location:</b>	9402-9422 S Broadway, Los Angeles, CA 90003 (CD 8)								
<b>Census Tract Eligibility (2016-20):</b>	<ul style="list-style-type: none"> <li>➤ <b>35.3%</b> Poverty Rate (greater than 20% and 30%)</li> <li>➤ <b>52.0%</b> of Metro/State Median Income (less than 80% and 60%)</li> </ul>								
<b>Estimated TDC &amp; NMTA Allocation:</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%;">Budget:</td> <td style="width: 25%;">\$ 69,027,354</td> <td style="width: 25%;">Total QEI:</td> <td style="width: 25%;">\$ TBD</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ TBD</td> </tr> </table>	Budget:	\$ 69,027,354	Total QEI:	\$ TBD			LADF QEI:	\$ TBD
Budget:	\$ 69,027,354	Total QEI:	\$ TBD						
		LADF QEI:	\$ TBD						
<b>Potential Sources of Funds:</b>	The project is actively seeking potential sources of funds								
<b>Projected Closing:</b>	TBD								
<b>Current Status:</b>	<ul style="list-style-type: none"> <li>➤ Submitting third group of invoices to DTSC for payment of contractor services and City's management of projects; Assisting with Lot line adjustment</li> </ul>								
<b>Community Benefits/Impact:</b>	<ul style="list-style-type: none"> <li>➤ Jobs: <b>75 Permanent</b> – TBD Construction</li> <li>➤ Affordable Housing and Residential Development: The redevelopment of the site in Council District 8 includes constructing 180 apartments, featuring <b>20 affordable units</b>.</li> <li>➤ Grocery Access: A <b>25,000 square foot ALDI store</b> to enhance fresh produce availability.</li> <li>➤ Environmental : <b>\$2.7 million grant</b> from DTSC for soil cleanup.</li> </ul>								



# **Tab 3**

**LOS ANGELES DEVELOPMENT FUND**  
MINUTES OF THE MEETING OF THE GOVERNING BOARD OF LADF AND LADF MANAGEMENT, INC.  
Wednesday, May 6, 2026 | 10:00 AM to 10:30 AM

City Hall, Room 1070 | 200 N Spring St, Los Angeles, CA 90012  
To Join via Telephone: Dial (669) 444-9171 US | Meeting ID: 823 4162 2679

**LADF STAFF PRESENT:**

- Sandra Rahimi
- Christopher Chorebanian
- Jiaqi Wu

**WELCOME AND CALL TO ORDER**

Los Angeles Development Fund (LADF) Director Frederick Jackson called the meeting to order at **10:02 AM**.

**ROLL CALL**

The following Governing Board directors were present at the meeting:

- Director Jackson (Chairperson)
- Director Arceneaux
- Director Kalfayan
- Director Chavez

A QUORUM WAS PRESENT

**PUBLIC COMMENT**

- None.

**Approval of Minutes for Board Meeting(s) on:**

- a. **April 13, 2026**
  - Moved by Director Kalfayan. Seconded by Director Arceneaux.
  - Roll Call: AYES: 4; NOS: 0; ABSENT: 1; ABSTAIN: 0; APPROVED.

**DISCUSSION ITEMS:**

- a. **JEDI Micro Loan Program Update**
  - Sandra Rahimi provided an update summarizing the JEDI loan program's first-year outcomes.
- b. **Pipeline Update**
  - Sandra Rahimi provided an update on LADF's current pipeline.

**ACTION ITEMS:**

- a. **Request for Authorization for (1) the President and Secretary of the LADF to execute an amendment to LADF's Articles of Incorporation removing the Board of Directors position for the "General Manager of the Economic and Workforce Development Department of the City of Los Angeles" and to file such amendment with the California Secretary of State, contingent upon the passage of the ordinance related to Los Angeles City Council File No. 25-0600-S43 and effective upon the operative date of such passed ordinance and (2) the Board of Directors of LADF Management, Inc. to reflect the same amendment upon filing of the amendment to LADF's Articles of Incorporation.**
  - Moved by Director Chavez. Seconded by Director Kalfayan.
  - Roll Call: AYES: 4; NOS: 0; ABSENT: 1; ABSTAIN: 0; APPROVED.

- b. **Request for Authorization for (1) the President and Secretary of the LADF to execute an amendment to LADF's Articles of Incorporation adding a Board of Directors position for the "General Manager of the Community Investment Department of the City of Los Angeles" and to file such amendment with the California Secretary of State, contingent upon the passage of the ordinance related to Los Angeles City Council File No. 25-0600-S43 and effective upon the operative date of such passed ordinance and (2) the Board of Directors of LADF Management, Inc. to reflect the same amendment upon filing of the amendment to LADF's Articles of Incorporation.**
- Moved by Director Chavez. Seconded by Director Arceneaux.
  - Roll Call: AYES: 4; NOS: 0; ABSENT: 1; ABSTAIN: 0; APPROVED.
- c. **Request for Authorization of (1) the President and Secretary of LADF to execute an amendment to the Articles of Incorporation of LADF to update the Board position for the "General Manager of the Housing and Community Investment Department of the City of Los Angeles" to the "General Manager of the Los Angeles Housing Department" and (2) the Board of Directors of LADF Management, Inc. to reflect the same amendment upon filing of the amendment to LADF's Articles of Incorporation.**
- Moved by Director Arceneaux. Seconded by Director Chavez.
  - Roll Call: AYES: 4; NOS: 0; ABSENT: 1; ABSTAIN: 0; APPROVED.
- d. **Request for Authorization for LADF staff to engage Novogradac to assist with drafting LADF's CY2026 NMTC Application. Maximum estimated contract cost is \$75,000.**
- Director Chavez suggested revising the action item to: "Request for Authorization for LADF staff to engage Novogradac to assist with drafting LADF's CY2026 NMTC Application. **Maximum estimated contract cost is up to \$75,000.**"
  - Moved by Director Kalfayan. Seconded by Director Chavez.
  - Roll Call: AYES: 4; NOS: 0; ABSENT: 1; ABSTAIN: 0; APPROVED.

#### **REQUEST FOR FUTURE AGENDA ITEMS**

- a. **Final Approval for NMTC Sub-Allocation to the Gateways Hospital Effie Street Project**
- b. **Final Approval for NMTC Sub-Allocation and Source Loan to the Reseda Theater Project**

#### **ADJOURNMENT**

- Meeting was adjourned at **10:23 AM**.

# **Tab 4**

## NEW MARKETS TAX CREDITS INVESTMENT REPORT

TO: LADF Board of Directors  
 FROM: Sandra Rahimi, Secretary  
 DATE: June 12, 2026  
 SUBJECT: Request to Approve a **\$6,500,000** New Markets Tax Credits Allocation to a Portion-of-the-Business of Gateways Hospital and Mental Health Center (“**QALICB**”) for the Gateways Hospital Effie Street (“**Project**”)

### SUMMARY

**Project Name:** Gateways Hospital Effie Street (“**Project**”)

**Location:** Echo Park Neighborhood (CD 13 – Hugo Soto-Martinez)

**Project Description:** New Construction; Community Facility / Healthcare

**Sponsor / Developer:** Gateways Hospital and Mental Health Center (“**Sponsor**”, or “**Gateways**”)

**Ownership:**

- Sponsor owns fee interest in the land & improvements
- Sponsor will allocate its fee interest to the portion-of-the-business QALICB

**NMTC Investor:** US Bank (“**Investor**”)

**Total Project Cost:** \$ 59,681,555

**Total Allocation / QEI:** \$ 25,500,000

**LADF Allocation / QEI:** \$ 6,500,000 – LADF XXXV, LLC (*Certified Sub-Allocatee*)

**Job Creation (Direct):** **120** Permanent FTEs | **80** Construction FTEs

**Site Eligibility Criteria:** Census Tract No. 06037197420 – *Eligibility under 2016-2020 ACS Data:*

- **NMTC Eligible** and **Targeted Distressed Community** (*per 2022 Allocation Agreement*)
- **78.7% AMI** ( $\leq 80\%$  – *NMTC Eligible*) – Section 3.2(h)(ii)
- QALICB serving **Targeted Populations** (*Targeted Distressed Community*) – Section 3.2(h)(v)

**Community Benefits:**

- New **27,000 SF adolescent acute care facility** with **37 inpatient beds**
- Serving approximately **641 individuals annually**
- Permanent Jobs: **100%** receive living wages/benefits | **40%** will not require college degree
- Workforce development training for up to **80 students annually** in behavioral health
- All patients are expected to qualify for Medi-Cal

**Key Compliance Criteria under the 2022 Allocation Agreement:**

<input checked="" type="checkbox"/> Sect. 3.2(a): Investments in, or loans to, QALICBs	<input checked="" type="checkbox"/> Sect. 3.2(b): Located within Service Area
<input checked="" type="checkbox"/> Sect. 3.2(c): Approved/Certified Sub-Allocatee	<input checked="" type="checkbox"/> Sect. 3.2(d): QLICI made to Unrelated Entity
<input checked="" type="checkbox"/> Sect. 3.2(f): Flexible Product	<input checked="" type="checkbox"/> Sect. 3.2(h): Targeted Distressed Community
<input checked="" type="checkbox"/> Sect. 3.2(j): 100% QEI Investment Usage	<input checked="" type="checkbox"/> Sect. 3.3(j): Monetize Only Eligible Existing Assets

**Projected Residual Value of LADF QLICI that may be obtained by the QALICB:** \$ 1,977,300

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## PROJECT DESCRIPTION

Gateways Hospital and Mental Health Center (“**Gateways**,” or “**Sponsor**”) will utilize NMTC financing for the development of the Gateways Hospitals Effie Street (“**Project**”), a new 37-bed adolescent acute care unit adjacent to Gateways’ existing youth and adolescent outpatient facility in Echo Park. The Project is intended to expand Gateways’ inpatient behavioral health capacity for adolescents experiencing mental health crises by creating a highly structured and supervised treatment environment within Gateways’ existing continuum of care.



The new hospital will provide intensive therapeutic and clinical services for adolescents with severe behavioral health needs, including patients with co-occurring alcohol and drug disorders. Programming within the unit will include:

- **37 new adolescent inpatient beds** providing acute behavioral health care for youth in crisis.
- **Individual and group therapy**, including Cognitive Behavioral Therapy, Psychoanalytic Therapy, Mentalization-Based Therapy, Eye Movement Desensitization and Reprocessing, Biofeedback, and other approved treatment approaches.
- **Physical health monitoring and medication management** for adolescent patients, including those with co-occurring substance use disorders.
- **Recreational and occupational therapy** for Transition Age Youth<sup>1</sup> clients to help build autonomy and support transition to outpatient care or independent living.
- **Clinical training opportunities** for undergraduate, graduate, and post-doctoral students in nursing, psychology, occupational therapy, social work, counseling, and healthcare administration.
- **Expanded student training capacity**, building on Gateways’ existing program that currently provides approximately 350 registered nursing students with hospital-based mental health rotations annually, with the Project expected to accommodate up to 80 additional behavioral health students each year.

Founded in 1953, Gateways is a nonprofit mental health provider located in Los Angeles’ Echo Park neighborhood. For more than 70 years, Gateways has served low-income and vulnerable residents across Los Angeles County through a full continuum of outpatient, residential, and inpatient mental health services. Through its eight (8) facilities, the organization serves children, adolescents, and adults, including individuals experiencing homelessness and those involved with the justice system. Gateways employs approximately 350 FTEs and operates with an annual budget of approximately \$70 million, primarily supported by State and County contracts and Medi-Cal reimbursements.

Gateways serves approximately 1,700 individuals annually, including more than 525 adult and adolescent inpatients with severe mental illness and co-occurring substance use disorders. Its programs include child and adolescent outpatient services, adult residential treatment at Percy Village and Normandie Village, homeless outpatient services, forensic programs, crisis residential treatment, wellness services, satellite outpatient clinics,

<sup>1</sup> “Transition Age Youth (TAY)” are individuals ages 18–24 who face increased pressure and placement issues as they transition to adulthood.

and adolescent and adult inpatient care. Gateways is the only mental health facility in Los Angeles offering this breadth of inpatient and outpatient treatment to low-income and homeless individuals regardless of ability to pay.

The Sponsor has received strong community support and engaged the community prior to development. Gateways hosted a community open house, inviting residents of the Echo Park neighborhood to preview the construction plans and participate in a Q&A session regarding the proposed facility and upcoming construction.

For details about the proposed community benefits provided at the Project, please refer to the section entitled "COMMUNITY AND ECONOMIC BENEFITS".

## **SITE ANALYSIS**

The Project is located at the following address:

- 1891 W Effie Street, Los Angeles, CA 90026 – *Council District 13: Councilmember Hugo Soto-Martínez*

The site is located in the Echo Park neighborhood of Los Angeles and is part of the sponsor's existing institutional healthcare campus. The property has historically been used for mental health treatment and related healthcare services. The site is zoned R2-1VL, which generally supports low-density residential uses, with the existing hospital use operating as an established institutional healthcare use on the property. The site is located in an urban infill area with access to nearby arterial streets, including Sunset Boulevard, Glendale Boulevard, and Alvarado Street, providing regional connectivity to surrounding Los Angeles neighborhoods.

The site is also accessible by public transportation, with nearby Metro bus service along major corridors such as Sunset Boulevard and Alvarado Street. This transit access supports patient, staff, and visitor mobility, particularly for low-income and vulnerable populations who may rely on public transportation to access healthcare services. Given its proximity to transit, the site is in a designated Transit Priority Area which is defined in the State of California code as "an area within one-half mile of a major transit stop that is existing or planned".

### Site Control

Although the NMTC financing will be unsecured, LADF has reviewed a Condition of Title Guarantee dated April 16, 2026, provided by Old Republic National Title Insurance Company, which identifies Gateways Hospital and Mental Health Center as the fee owner of the property. The title guarantee identifies several encumbrances affecting the property, including utility and storm drain easements, road dedication matters, a covenant to hold the property as one parcel, a regulatory agreement with the California Department of Health Care Services, and related deed of trust recorded in 2023.

The title guarantee also identifies a deed of trust in favor of U.S. Bank Trust Company, National Association, recorded March 19, 2026, together with a related UCC financing statement. This financing was disclosed earlier and is related to taxable and tax-exempt bond financing secured by the Sponsor for purposes of the Project. The encumbrances identified will not impede the proposed construction, which is fully entitled and currently 50% complete.

## COMMUNITY AND ECONOMIC BENEFITS

The primary community benefits created by the NMTC transaction are the following:

<i>Job Creation/Retention:</i>	<ul style="list-style-type: none"> <li>• Creating: <b>120</b> Permanent FTEs and <b>80</b> Construction FTEs</li> <li>• Retaining: <i>Not applicable</i></li> </ul>
<hr style="border-top: 1px dashed #000;"/>	
<i>Quality Jobs:</i>	<p>Permanent Jobs:</p> <ul style="list-style-type: none"> <li>• <b>100%</b> receive Living Wages<sup>1</sup></li> <li>• <b>100%</b> receive full benefits, including health insurance (medical, dental, vision), life insurance, retirement plans, paid time off, sick time accrual, and paid medical/family leave</li> </ul> <p>Construction Jobs:</p> <ul style="list-style-type: none"> <li>• <b>100%</b> receive Prevailing Wages</li> <li>• <b>100%</b> receive full benefits, including health insurance (medical, dental, vision), life insurance, retirement plans, paid time off, sick time accrual, and paid medical/family leave</li> </ul>
<hr style="border-top: 1px dashed #000;"/>	
<i>Accessible Jobs:</i>	<p>Permanent Jobs:</p> <ul style="list-style-type: none"> <li>• <b>100%</b> made available to local residents of the Low-Income Community</li> <li>• <b>40%</b> made available to individuals with a 2-year associate degree or less</li> <li>• <i>Job Training:</i> Workforce development and internship opportunities for up to <b>80 students annually</b> in behavioral health fields</li> </ul>
<hr style="border-top: 1px dashed #000;"/>	
<i>Community Goods/Services to Low-Inc. Communities:</i>	<p>Healthcare:</p> <ul style="list-style-type: none"> <li>• <b>641 individuals annually</b> will receive inpatient behavioral health services, based on projected utilization of the new 37-bed unit</li> <li>• All patients expected to qualify for Medi-Cal</li> </ul>

The community benefits discussed in this section will be required of the QALICB and Sponsor by way of a Community Benefits Agreement (“CBA”). The CBA will require the QALICB to use commercially reasonable efforts to achieve the impacts. The CBA will include an annual reporting requirement for tracking the quantifiable community impacts. As of the time of this memo, the CBA is still under negotiation. If there are any material changes to the CBA, as presented in this memo, during the course of the negotiation, LADF staff will inform the LADF Governing Board of such changes and seek reaffirmation of approval.

<sup>1</sup> FTE jobs paying at least **\$28.92** per hour (as calculated by the Massachusetts Institute of Technology Living Wage Calculator and which is updated from time to time), as of **February 15, 2026**, for 1 adult with no children in Los Angeles County, California. (<http://livingwage.mit.edu/counties/06037>)

## DEVELOPMENT TEAM

### QALICB: A portion of the business (“POB”) of Gateways Hospital and Mental Health Center (“QALICB”)

The Sponsor will set up a portion of its business (“POB”) as a separate books subsidiary, which will serve as the Qualified Active Low-Income Community Business (“QALICB”) for the NMTC transaction purposes. The POB will not be a separate legal entity but will be a portion of the Sponsor’s existing business that will implement separate operating policies and maintain separate books and records based on income generated from the Project. The POB will be established to control and manage the real estate interests in the Project, including fee ownership in the land, building, and improvements. The POB will receive a portion of the unrestricted revenues generated by the Sponsor, which will operate the programming at the Gateways facility.

While the purpose of the NMTC financing will be for real estate construction, the POB will be operating the Project and thus considered a “non-real estate” QALICB for NMTC purposes. It will have employees for purposes of the Project’s operations and maintain at least 85% of its tangible property within the low-income community where the project is located during the seven-year NMTC compliance period. This structure is critical to the NMTC transaction because the POB will be the tested QALICB and direct beneficiary of the financing; if the POB does not satisfy the NMTC requirements, the transaction could lose its tax-credit eligibility during the seven-year compliance period. Additionally, under its 2022 Allocation Agreement, LADF is not limited with regards to loans made to either “real estate” or “non-real estate” QALICBs. However, it is limited with regards to loans made for non-real estate activities, and since LADF’s loans will be utilized for real estate activities the resulting QLICB will not compromise LADF’s compliance with its 2022 Allocation Agreement.

An Agreed-Upon Procedures (“AUP”) report<sup>1</sup> will be required for the QALICB POB, which will be produced by Novogradac for purposes of evaluating whether the POB meets the tax and regulatory requirements for a QALICB. Since this is a newly designated POB, there are no financial statements to review. The POB will be the beneficiary of the NMTC and direct project financing.

### Sponsor: Gateways Hospital and Mental Health Center (“Sponsor”, or “Gateways”)

Gateways Hospital and Mental Health Center is the Sponsor for the Gateways Hospital Effie Street project. Founded in 1953, Gateways is a California nonprofit public benefit corporation located at 1891 Effie Street in Los Angeles’ Echo Park neighborhood. The organization was formed to create and maintain high-quality mental health facilities and programs, including housing and an acute psychiatric hospital serving adults and adolescents with mental health needs.

Gateways has provided mental health services in Los Angeles County for more than 70 years. The organization provides a continuum of care, including outpatient, residential, and inpatient treatment, and serves children, adolescents, and adults. Patients are referred through multiple access points, including school districts, the Los Angeles Department of Children and Family Services, and the judicial and correctional systems. Services are provided regardless of a patient’s ability to pay.

Gateways employs approximately 350 FTEs and operates with an annual budget of approximately \$70 million, primarily supported by State and County contracts and Medi-Cal reimbursements. The organization serves approximately 1,700 individuals annually and provides a continuum of inpatient, outpatient, residential, crisis,

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<sup>1</sup> Agreed-Upon Procedures engagements are carried out by auditors to report factual findings, which in an NMTC transaction relates to the nature of the business of the QALICB and its compliance with NMTC regulation. Compliance is determined for the QALICB as of the closing date, and expectations for compliance during the seven-year NMTC compliance period.

wellness, homeless, and forensic behavioral health services across 8 locations<sup>1</sup> throughout Southern California, including more than 525 adult and adolescent inpatients with severe mental illness and co-occurring substance use disorders. Its programs include child and adolescent outpatient services, adult residential treatment, homeless outpatient services, forensic programs, crisis residential treatment, wellness services, satellite outpatient clinics, and adolescent and adult inpatient care.

## FINANCIAL STATEMENT ANALYSIS

LADF has reviewed the Sponsor's audited financial statements for the fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025, and has also reviewed the unaudited financial statements for the partial fiscal year ending January 31, 2026. Gateways' financial statements are presented as consolidated with the Foundation's (*or Leverage Lender's*) financial statements and were reviewed in an effort to assess the combined organization's capacity in providing guaranties and indemnities for purposes of the NMTC transaction.

The analysis reveals that Gateways' primary source of income (*approximately 85% to 90% for the reviewed financial statements*) is patient service revenue, paid out by third parties such as Medi-Cal, Medicare, as well as specific covered programs under the Mental Health Services Act and Bronzan-McCorquodale Act. Gateways also receives funding for patient services from other governmental agencies, such as the Department of State Hospitals.

The financial performance of Gateways over the observed period shows net incomes of \$1.0 million for 2023, \$11.1 million for 2024, \$18.8 million for 2025, and \$29.6 million for the first seven months of fiscal year 2026. The significant increase in income for the first seven months of 2026 reflects a surge in fundraising activities to support the improvements proposed in this transaction. As of January 31, 2026, Gateways' cash reserves stood at \$21.5 million, reflecting a consistent growth from \$3.9 million in 2023, \$5.5 million in 2024, to \$10.9 million in 2025. Additionally, Gateways' holds \$10.3 million in investments.

Total assets over the past three years were reported at \$31.0 million in 2023, \$42.6 million in 2024, and \$80.8 million in 2025 (*increase mostly reflecting the \$25 million acquisition of the Gateways Glendale<sup>2</sup> property*). These figures indicate a strong increase in long-term assets bolstered by active fundraising campaigns. The new subject adolescent inpatient facility financed by NMTCs is expected to expand service capabilities and potentially further strengthen net income.

## Leverage Lender: Gateways Hospital and Mental Health Center Foundation ("Foundation")

Gateways Hospital and Mental Health Center Foundation ("**Foundation**", or "**Leverage Lender**") is a California nonprofit public benefit corporation and an affiliate of Gateways Hospital and Mental Health Center. The Foundation was incorporated on July 15, 2022, to act as a supporting organization for Gateways and to further

1

1. Administration Office — 220 N Glendale Avenue, Glendale, CA 91206
2. Inpatient Mental Health Hospital — 1891 Effie Street, Los Angeles, CA 90026
3. Child and Adolescent Outpatient Program (GCAOP) — 711 West College St., Suite 500, Los Angeles, CA 90012
4. Homeless Services (Outpatient Program) — 320 North Madison Ave., Los Angeles, CA 90004
5. Wellness Center — 433 North Hoover Street, Los Angeles, CA 90004
6. Crisis Residential Treatment Program — 423 Hoover Street, Los Angeles, CA 90004
7. Forensic Programs – Los Angeles County — 621 S. Virgil Avenue, Suite 300, Los Angeles, CA 90005
8. Forensic Programs – San Diego County — 450 A St., Suite 500, San Diego, CA 92101

<sup>2</sup> Gateways' Glendale Justice Involved Mental Health Care Campus will also undergo renovation and expansion, converting 11 existing residential cottages and a 20,000-square-foot former law school building into a residential and outpatient treatment campus serving justice-involved individuals with severe and persistent mental illness and/or co-occurring substance use disorder. The project is also currently seeking NMTC financing. Gateway's successful fundraising efforts to date across both projects provide further evidence of its ability to raise and secure capital sufficient to support construction and project completion.

Gateways' charitable mission of providing mental health facilities, programs, treatment, and care for adults and adolescents.

For the NMTC transaction, the Foundation will serve as the Leverage Lender. The Sponsor is expected to donate approximately \$17.5 million to the Foundation, and the Foundation will use those funds together with \$250,000 cash-on-hand to make the \$17.8 million Leverage Loan to the Investment Fund. The Leverage Loan proceeds will be combined with NMTC investor equity and used to fund Qualified Equity Investments into the participating Sub-CDEs, which will then make QLICI loans to Gateways for the Project.

#### General Contractor: Clayco Construction Company ("GC", or "Clayco")

S Clayco, Inc. dba Clayco Construction Company, Inc. is the general contractor for this project. Clayco is a national full-service development, design-build, engineering, and construction firm founded in 1984, with its headquarters in Chicago and a local project office in Culver City. Clayco reports more than \$8.1 billion in 2025 revenue and more than 4,000 employees nationwide, supporting its capacity to deliver complex institutional, healthcare, commercial, and residential projects.

LADF has reviewed the executed AIA A102-2017 GMP contract between Gateways Hospital and Mental Health Center and Clayco, dated December 20, 2024, as well as GMP Amendment No. 1, effective December 4, 2025. Phase 1 consisted primarily of make-ready, demolition, abatement, utility, and site preparation work required to prepare the campus for construction. Phase 2 consists of the main GMP construction scope for the new adolescent inpatient building, including construction of the 37-bed facility, related building systems, site work, inspections, commissioning, and closeout.

The contract and amendment cover Phase 2 construction of the adolescent building at 1891 Effie Street and establish Clayco's responsibilities for delivery of the new facility. GMP Amendment No. 1 revised the Final GMP amount to \$36,367,159. As of May 2026, construction is approximately 50% complete and on track to complete by July 1, 2027.

LADF has also reviewed the payment and performance bond issued by Liberty Mutual Insurance Company, naming Clayco as principal and Gateways Hospital and Mental Health Center as owner. The bond package includes both performance and payment bond coverage, with an additional rider adding the California Department of Health Care Services. Based on LADF's review, the Project benefits from standard bonding protections for contractor performance and payment obligations.

#### Architects: HMC Architects ("Architect", or "HMC")

HMC Architects ("Architect" or "HMC") is the architect for the Project. Founded in 1940, HMC is a California-based, 100% employee-owned architectural firm focused on healthcare, education, and civic projects. The firm has extensive healthcare design experience and specializes in facilities that support patient care, clinical operations, and community-serving institutional uses. HMC's healthcare portfolio includes major Southern California projects such as the Harbor-UCLA Medical Center Replacement Program and the North Hollywood Integrated Care Clinic.

LADF has reviewed the executed AIA B101-2017 agreement between Gateways Hospital and Mental Health Center and HMC Architects, dated June 7, 2023. The agreement covers architectural services for the addition of 37 new adolescent beds to Gateways' existing facility at 1891 Effie Street. The agreement notes that the project will pursue LEED-certified quality and performance standards without securing certification. HMC's overall contract amount is \$1,799,885, which includes a previously issued Scope Validation Study agreement.

## PROJECT FEASIBILITY

### Property Valuation

LADF's QLICIs in this transaction will not be secured by the QALICB's fee interest in the real estate, so an appraisal or broker letter valuing those interests is not required (*typically needed for determining value of collateral in order to calculate loan-to-value when real estate is collateralized*).

### Environmental Inspections

A Phase I Environmental Site Assessment for the subject property at 1891 Effie Street, Los Angeles, CA 90026 was prepared by Odic Environmental ("**Odic**"), dated January 21, 2025. The report concluded that no recognized environmental conditions were identified and recommended no further investigation at this time. The report noted a former 500-gallon underground storage tank and related closed LUST case, which Odic classified as a historical recognized environmental condition if contamination was formerly present. Odic is an environmental consulting firm located in Brea, California, specializing in environmental due diligence and real estate site assessments.

Additionally, the initial demolition involved with the new construction of the adolescent inpatient facility would disturb the existing building at the Project site, built around 1961 and possibly containing asbestos containing materials ("**ACM**") and lead based paint ("**LBP**"). The project team obtained an ACM and LBP assessment from environmental firm EFI Global dated August 2, 2024, which included recommendations for abatement of the ACM and LBP present. The project team proceeded to follow the recommendations of the assessment, and obtained a post-abatement assessment dated December 11, 2024 which states: "the areas had been abated satisfactorily and were sufficiently cleaned."

### Construction Feasibility

The QALICB and Sponsor will be responsible for developing the project and their affiliate has entered into a GMP contract with the GC.

The CDEs, including LADF, Genesis LA and US Bank CDE have engaged PACS, a third-party construction inspection firm, to provide a plan and cost review and monthly construction inspection reports for draws until the construction are completed. PACS will inspect construction progress and provide monthly reports that will be relied upon by LADF and other stakeholders.

The project's disbursement process will be coordinated by US Bank in its role as the disbursement agent. US Bank's role will include obtaining a full draw package from the QALICB, collecting the monthly inspection report, and subsequent approvals from the Sub-CDE lenders. The LADF Sub-CDE will have full approval rights over each draw. The full draw package submitted by the QALICB will be required to include updated title reports and lien waivers from the GC.

Additionally, it is anticipated that the QLICI loans will be fully expended within 5 months of the NMTC closing. Thereafter, the bond financing secured by the Sponsor will fund the remainder of construction through completion, which is anticipated in July 2027. In an effort to maintain accountability and stay informed with the progress of the Project, the CDE lenders will require that the Sponsor continue to submit monthly construction reports after their QLICI funds have been expended. These monthly reports will be in the similar form as the draw packages, including the GC's pay applications, updated title reports for lien searches, and an inspection report produced by a third-party inspector.

### *PROBABLE MAXIMUM LOSS REPORT*

A Probable Maximum Loss ("**PML**") will not be required given that the project is new construction and will need to conform to the current building codes to obtain building permits and to obtain a Certificate of Occupancy upon

completion. It is a reasonable expectation that the design and construction will reflect the most current seismic design standards which would result in a PML of 20% or less.

## Financial Feasibility

SOURCES		USES	
<b>Investment Fund Sources (LL &amp; reserves)</b>		<b>Project Development Uses</b>	
- Bridge Equity for Prior Costs (US Bank):	17,532,900	Prior-Incurred Construction Costs	18,955,000
- Sponsor Equity:	250,000	Post-Closing Construction Costs	35,720,464
<b>Sub-Total</b>	<b>\$17,782,900</b>	<b>Sub-Total</b>	<b>\$54,675,464</b>
<b>Investment Fund Sources (NMTC Equity)</b>		<b>Financing-Related Uses</b>	
- NMTC Equity (LADF QEI):	1,977,300	- Interest Expense (net of reserves):	1,902,841
- NMTC Equity (Genesis QEI):	5,171,400	<i>NMTC Closing Costs</i>	
- NMTC Equity (US Bank QEI):	608,400	- Legal/Acctg./Consulting Fees:	987,500
<b>Sub-Total</b>	<b>\$7,757,100</b>	- LADF CDE Placement Fee:	130,000
<b>Direct QALICB Sources</b>		- Other CDE Upfront Fees/Expenses:	530,000
- Sponsor Equity for Prior Costs:	1,422,100	<i>NMTC Reserves</i>	
- California Municipal Revenue Bonds:	32,719,455	- LADF Asset Mgmt. Fee Reserve:	341,250
<b>Sub-Total</b>	<b>\$34,141,555</b>	- LADF Expense Reserve:	104,000
		- Other CDE Fee/Exp. Reserves:	970,500
		- Inv. Fund Fee/Exp. Reserves:	40,000
		<b>Sub-Total</b>	<b>\$5,006,091</b>
<b>Total Project Sources</b>	<b>\$ 59,681,555</b>	<b>Total Project Uses</b>	<b>\$ 59,681,555</b>

### DEVELOPMENT PRO FORMA

The total project cost for Gateways Hospital Effie Street is estimated to be \$35.4 million, \$59.7 million of which \$25.5 million will be leveraged through the NMTC structure to make \$24.9 million in Qualified Low-Income Community Investment (“**QLICI**”) loans to the Project. In addition to the QLICIs, the QALICB will be capitalized with \$32.7 million financing through a California Municipal Finance Authority bond facility and \$1.4 million contribution of prior incurred costs from the Sponsor for a total funding of \$59.1 million to the QALICB.

The QALICB’s \$24.9 million in combined QLICIs will be disbursed as follows:

- \$17.5 million – Paid at closing to Gateways to reimburse pre-closing construction expenses.
- \$1.1 million – Pay NMTC and Other Closing Costs
- \$1.4 million – Fund the CDE-Controlled Fee and Expense Reserve Accounts
- \$4.9 million – Fund the CDE-Controlled Construction Disbursement Account

To get the project to its current 50% completion, the Sponsor utilized a \$19 million grant from the California Behavioral Health Continuum Infrastructure Program (“**BHCIP**”). The improvements completed to-date representing prior-incurred costs will be contributed by Gateways to its QALICB POB, and the BHCIP funds are expected to be fully expended at time of the NMTC closing. After the NMTC closing and upon expending the balance of the NMTC Construction Disbursement Account, the Project will utilize \$32.7 million of its municipal bond facility to fund the remainder of construction costs thereafter.

NMTC-related reserves held by the QALICB total \$1.4 million and will be held for the payment of asset management fees and expense reimbursements to the Sub-CDEs. The Sub-CDEs will require that their ongoing fees and expense reimbursements for the entire NMTC Compliance Period be held in separate reserve accounts, including \$445,250 held in a separate account pledged to LADF.

At NMTC Closing, after funding the QLICIs, Gateways will receive a \$17.5 million reimbursement from the QALICB POB for Project costs incurred within the prior 24 months (*Novogradac will be providing an AUP report to LADF confirming the eligibility of these costs, as discussed in the section entitled "NMTC ELIGIBILITY AND COMPLIANCE"*).

#### *OPERATING PRO FORMA*

The project's operating revenues will consist of program revenue which the QALICB POB will generate from operations of the adolescent inpatient facility. Operating expenses will consist of property taxes (*apportioned to the QALICB POB*) and operating expenses for operating the adolescent inpatient facility (*including employee salaries*). The revenue generated by the QALICB is projected at \$22.3 million annually at stabilization in 2029, and increasing thereafter. After accounting for operating expenses, the QALICB's debt service coverage ratio for the Project is estimated to range between 2.7x and 4.4x after stabilization and during the 7-year NMTC Compliance Period, according to the current financial projections.

LADF has reviewed the Sponsor's financial statements and projections for the project-related operations. This analysis can be found in the section entitled "DEVELOPMENT TEAM".

#### Project Timeline

The following list represents the milestone items and the project's completion and expected completion dates (*as of May 2026*):

- November 2024: Construction Commencement
- June 2026: Obtain consent for NMTC financing per BHCIP contract requirements
- July 2026: **NMTC Transaction Close** (*50% construction completion*)
- July 2027: Construction Completion (*32-month construction timeline*)

#### **FINANCING PARTNERS**

The project-level costs of the QALICB will be funded in whole by (1) the QLICI loans, (2) contribution of land and improvements by Gateways, and (3) the California Municipal Finance Authority bond facility. The financing parties to the NMTC structure will include one NMTC Investor at the upper tier, as well as three NMTC allocatees, or Community Development Entities ("CDEs"), making the QLICI loans to the project through their Subsidiary CDEs ("**Sub-CDEs**") at the lower tier.

#### NMTC Investor

US Bancorp Community Development Corporation ("**Investor**", or "**USBCDC**") is the NMTC Investor that will provide the equity contribution to the Investment Fund. USBCDC finances affordable housing and community development projects and provides various financial services. The company was incorporated in 2002, is based in St. Louis, Missouri, and operates as a subsidiary of US Bank.

LADF has closed eleven previous transactions with USBCDC as an investor, listed from most recent to oldest: Food Access Los Angeles (*January 2025*), Jessie Lord Bakery (*January 2024*), First Street North (*December 2023*), Shakespeare Center of Los Angeles (*August 2023*), Heart of Los Angeles – Second Tranche (*May 2020*), Budokan L.A. (*March 2018*), Joshua House Health Center (*December 2017*), Heart of Los Angeles – First Tranche (*September 2017*), LA Prep/Kitchen (*March 2014*), La Kretz Innovation Campus (*September 2013*), and Discovery Science Center of Los Angeles (*December 2012*).

## CDE Lenders

The Transaction will include three CDE allocatees providing NMTC allocation and making QLICI loans to the project through their Sub-CDE special purpose entities. The following table lists the CDE allocatees, along with their Sub CDEs, and the Qualified Equity Investment (“QEI”) associated with their NMTC allocations:

CDE Allocatee	Sub-CDE	Sub-Allocation Amount
Los Angeles Development Fund	LADF XXXV, LLC	\$6,500,000
Genesis LA CDE, LLC	GLA SUB-CDE XLI LLC	\$17,000,000
USBCDE, LLC	USBCDE Sub-CDE 291, LLC	\$2,000,000
<b>Total NMTC Allocation</b>		<b>\$25,500,000</b>

### GENESIS LA CDE, LLC

Genesis LA CDE LLC (“**Genesis**”) is a certified CDE and CDFI located in Los Angeles, California. It has received 12 NMTC allocations totaling \$590 million as follows: 2005/\$80mm, 2006/\$50mm, 2009/\$40mm, 2013/\$20mm, 2014/\$30mm, 2015-2016/\$45mm, 2018/\$55mm, 2020/\$55mm, 2021/\$50mm, 2022/\$60mm, 2023/\$50mm, and 2024-2025/\$55mm. Genesis was established in 1998 to advance economic opportunity in Los Angeles County. The organization uses these allocations to invest in community facilities, commercial, and mixed-use real estate projects that deliver programs, goods, services, and quality jobs to the county's low-income communities. Its local service area covers Los Angeles County, California. This will be the 13th transaction that LADF has closed with Genesis as a partner CDE. LADF co-invested NMTC allocation with Genesis in Food Access Los Angeles (January 2025), Project Angel Food (March 2024), Hollywood Arts Collective and Career Center – Phase II (March 2024), First Street North (January 2024), California Science Center (April 2023), Vermont Manchester (June 2022), Hollywood Arts Collective and Career Center (February 2022), URM Angeles House (March 2020), Children’s Institute Watts Campus project (January 2020), Jordan Downs (June 2018), Anita May Rosenstein Campus / LGBT Center community facility project (June 2017), and One Santa Fe retail and office project (December 2011).

### USBCDE LLC

USBCDE LLC (“**USBCDE**”) is US Bank’s certified CDE located in St. Louis, Missouri, and has received 15 NMTC allocations totaling \$1.14 billion as follows: 2006/\$135mm, 2007/\$125mm, 2008/\$80mm, 2009/\$95mm, 2011/\$100mm, 2012/\$65mm, 2014/\$55mm, 2017/\$70mm, 2018/\$70mm, 2019/\$65mm, 2020/\$65mm, 2021/\$60mm, 2022/\$55mm, 2023/\$55mm, and 2024-2025/\$95mm. USBCDE uses its NMTC allocation to support real estate projects, operating businesses, and loan funds that create quantifiable, meaningful, catalytic outcomes for low-income communities across the United States. This will be the fifth transaction that LADF has closed with USBCDE as a partner CDE. USBCDE co-invested in First Street North (January 2024), Joshua House Health Center (December 2017), La Kretz Innovation Campus (September 2013), and Discovery Science Center (December 2012).

## FINANCING STRUCTURE

The project’s total development cost will be funded by the (1) \$25.5 million QEI generated through the NMTC leverage structure to the QALICB, (2) \$1.4 million Sponsor contribution of prior-incurred costs, and (3) \$32.7 million municipal revenue bonds. The total prior-incurred costs are \$19 million funded by the State of CA BHCIP grant, of which \$17.5 million will be capitalized at NMTC closing for purposes of making the Leverage Loan and the remainder \$1.4 million will be a direct contribution from the Sponsor to its QALICB POB. For a full diagram showing the flow of funds at closing, please refer to [Exhibit A](#).

The Leverage Lender’s \$17.8 million for the NMTC leverage loan will be fully advanced at closing of the NMTC transaction. The Leverage Lender’s sources for making the leverage loan will be (1) \$17.5 million of prior-incurred

costs of the project, which will be capitalized by the NMTC Investor with a one-day bridge equity investment, and (2) \$250,000 Sponsor equity. Please see the section entitled “DEVELOPMENT TEAM” for further discussion about the financial capacity of the Sponsor.

## NMTC Financing

There will be one investment fund established for the NMTC transaction. US Bank will be the NMTC Investor Member and own 100% of the investment fund. The NMTC equity contribution at the upper tier by the NMTC Investor will total \$7.8 million. In exchange, the NMTC Investor will receive \$9.9 million in tax credits that will be generated through the Fund (39% of the total \$25.5 million QEI). This exchange of equity for tax credits reflects a pricing of \$0.78 per tax credit dollar for QEIs associated with SubCDEs’ Allocations.

The \$17.8 million leverage loan provided to the investment fund by the Foundation as the Leverage Lender will be interest-only for seven years during the NMTC compliance period and bear an interest rate of 1.0%. After the end of the interest-only period, the self-leverage loan will amortize over the following 23 years.

The NMTC Investor’s tax credit equity contributions combined with the leveraged loan will be used to capitalize the investment fund with \$25.5 million in total. Upon closing of the NMTC transaction, the investment fund will use its capital to make \$25.5 million in total QEIs to the three Sub-CDEs, as well as pay \$40,000 for CDE fees.

In exchange for its contribution, the investment fund will receive a 99.99% membership share in the Sub-CDEs. The Sub-CDEs will use the contributed capital to make QLICIs to the QALICB totaling \$25.0 million.

With regards to LADF’s Sub-CDE, LADF Management, Inc. (LADF’s subsidiary entity) will contribute \$650 to capitalize the LADF Sub-CDE and own 0.01% share in the LADF Sub-CDE. LADF will earn \$48,750 in annual income related to management services it provides on behalf of the Sub-CDE.

LADF’s Sub-CDE will provide two QLICI notes – matching one with the leverage loan (“A note”) and the other with the NMTC equity component (“B note”). The A notes will have interest rates of 1.3525% with 30-year terms including interest-only payments for the first seven years during NMTC compliance period. The B notes will have the same loan terms as the A notes.

If there should be a return of capital during the seven-year NMTC compliance period, capital will be redeployed as follows:

1. Genesis LA Sub-CDE – first \$17 million of capital redeployment
2. USB Sub-CDE – next \$2 million of capital redeployment
3. LADF Sub-CDE – next \$6.5 million of capital redeployment

Upon a return of capital during the seven-year NMTC compliance period, a CDE has 12-months to redeploy the capital in a qualifying NMTC project or it becomes a “Recapture Event” and triggers a loss of the tax credits as well as penalties for the Investor. At the time of this memo, the CDE indemnity agreement between LADF and US Bank has not been fully negotiated, but LADF will require similar terms as it has received from other investors it has transacted with. As in its other NMTC investments, LADF expects to have nine months to work with US Bank to identify a project for reinvestment within the City of Los Angeles that is acceptable to both entities; thereafter US Bank can remove LADF Management, Inc. as managing member of LADF XXXV, LLC and choose an investment without LADF’s input. However, it must still be within Los Angeles County per LADF’s 2022 Allocation Agreement. With LADF’s close relations with City partners, it is expected that nine months should be sufficient time to identify an alternative investment acceptable to both.

## PROJECT READINESS

Pursuant to LADF's policies and procedures, the readiness of the project is determined as follows:

- *Control of Site:* Completed
- *Entitlement Process:* Completed
- *Design/Pre-Development:* Completed
- *Working Drawings:* Completed
- *Value Engineering:* Completed
- *Permits (RTI):* Completed
- *Tenant Leases:* Not Applicable
- *GMP Construction Contract:* Completed
- *Financing Commitments:* LOIs and term sheets have been issued by US Bank (*as NMTC Investor*), LADF, Genesis LA, and USBCDE (*each as NMTC Allocatee*)
- *Outstanding 3<sup>rd</sup> Party Issues:*
  - >Consent for the NMTC financing by the State of CA required under its BHCIP grant is expected in June 2026 prior to NMTC closing
  - >Consent for the NMTC financing is assumed not required under the terms of the municipal bond facility, but Sponsor is in process of confirming that

## NMTC ELIGIBILITY AND COMPLIANCE

In accordance with the CDFI Fund's guidance, LADF has determined the NMTC eligibility of the Project under the 2016-2020 American Community Survey ("ACS") data. The subject site is located in the 2020 Census Tract 06037197420. The population within the Census tract is 3,468 individuals. Based on the 2016-2020 ACS data, LADF has determined that the site is located in a Qualified Census Tract based on the following eligibility measure(s):

- Median Family Income of **78.7%** of the greater Metro area (*less than 80%*)

Further, the site also qualifies under Section 3.2(h) of LADF's 2022 Allocation Agreement as a Targeted Distressed Community based on the following qualifying measure(s) listed:

- QALICB serving **Targeted Populations** – *per Section 3.2(h)(v)*

This is the first transaction that LADF will utilize the Targeted Populations provision of any of its allocation agreements to qualify a project as a Targeted Distressed Community. The requirement for Targeted Populations pertinent to this transaction is that at least 60% of the Project's gross income is derived from services to customers who are Low-Income Persons. Based on the current proposed approach in the closing discussions, the QALICB is expected to: (1) represent and warrant that the Project meets Targeted Populations requirements at time of NMTC closing. (2) provide an AUP report, or similar report, that formally tests and substantiates that the Project meets Targeted Populations requirements at time of NMTC closing; and (3) certify annually that at all times the Project meets Targeted Populations requirements. It is not expected that the final provisions related to Targeted Populations qualification required by the NMTC financing parties will differ materially from the approach that is contemplated at this time. LADF will require that the final provisions are consistent with regulatory guidance under the NMTC program.

Considering that the QALICB's anticipated clientele will all be qualified for Medi-Cal (*i.e. California's Medicaid program*) and all Medi-Cal recipients would be qualified as Low-Income Persons under the NMTC program, LADF and the other parties to the NMTC transaction have reasonable expectations that the QALICB will meet the Targeted Populations criteria for the duration of the NMTC Compliance Period.

Additionally, the Project site is located in a Mental Health Professional Shortage Area (“**HPSA**”), as designated by the Federal Health Resources & Services Administration (“**HRSA**”). Although HPSAs qualify for alternative criteria in determining Targeted Distressed Communities under the most recent NMTC round 2024-2025 Allocation Agreements, they were not a qualification in prior allocation rounds (*including LADF’s 2022 Allocation being utilized for this transaction*).

### QALICB Analysis

The QALICB will meet the Non-Qualified Financial Property (“**NQFP**”) Test and 100% of the QLICI proceeds will be expended for development of the project within 18 months of closing. The NQFP test requires that less than 5% of the average of the annual aggregate unadjusted basis of the property held by the QALICB is attributable to NQFP which includes debt, stock, etc.

Since 100% of the tangible property of the QALICB will be within a qualifying Low-Income Community (“**LIC**”) census tract, the Tangible Property, Services Performed, and Gross Income Tests are all satisfied. In addition, less than 50% of the QALICB will be controlled by any entity having an interest in any Sub-CDEs, so there is no Related Party entity issue.

### LADF 2022 Allocation Agreement Compliance

This transaction will use \$6.5 million in allocation from LADF’s 2022 Allocation award from the CDFI Fund. With the closing of this transaction, the 2022 Allocation award will be 73% invested.

LADF has determined that the transaction complies with the authorized uses of its NMTC allocation under Section 3.2 of its 2022 Allocation Agreement, evident through the following characteristics of the transaction:

- §3.2(a): LADF’s allocation will be used to make a loan to a QALICB
- §3.2(b): Project is located in the County of Los Angeles
- §3.2(c): LADF XXXV, LLC is a listed Subsidiary Allocatee in Schedule I of the Allocation Agreement
- §3.2(d): QALICB is controlled 100% by persons unrelated to LADF
- §3.2(e): LADF will have invested greater than 60% threshold in QEIs by Dec. 31, 2026
- §3.2(f): LADF’s QLICI provides flexible terms (*discussed below*)
- §3.2(h): The subject site is located in a Targeted Distressed Community (*discussed above*)
- §3.2(j): 100% of QEI will be passed down as a QLICI
- §3.2(l): 100% of QLICI is made in an Identified State (*California*)

Section 3.2(g) (*Non-Metropolitan Counties*) and 3.2(i) (*Loan Purchases Reinvestment*) indicate a “0%” requirement and are not applicable under LADF’s 2022 Allocation Agreement.

Section 3.2(k) (*Affordable Housing*) is applicable under LADF’s 2022 Allocation Agreement and requires that at least 20% of the housing units developed or rehabilitated as a result of LADF’s QLICIs shall be affordable to Low-Income Persons. The Project includes no housing units, thus LADF maintains compliance under Section 3.2(k).

As the transaction relates to Section 3.2(f) (Flexible Products) of the Allocation Agreements, LADF must comply with the following:

“All of the Allocatee’s QLICIs must (a) be equity or equity-equivalent financing, (b) have interest rates that are 50 percent lower than either the prevailing market rates for the particular product or lower than the Allocatee’s current offerings for the particular product, or (c) satisfy at least 5 of the indicia of flexible or non-traditional rates and terms, as listed in Section 3.2(f).”

LADF's QLICI notes bear interest rates of 1.3525% and satisfy part (b) of this paragraph. To support compliance with this provision, LADF will obtain a flexible rates and terms letter from US Bank. It is anticipated that US Bank's letter will indicate a market interest rate for the QLICIs that is substantially higher than this interest rate making LADF's QLICIs greater than 50% below the market rate.

#### *UPDATE REGARDING NEW ANTI-DISCRIMINATION PROVISION*

The most recent 2024-2025 round of NMTC allocation agreements added a new provision relating to Federal anti-discrimination laws. The allocation agreement template, issued by the CDFI Fund in February 2026, states in the new Section 3.3(k):

“(k) The Allocatee shall (i) not, to the best of its knowledge after reasonable diligence, make a QLICI in a QALICB that violates applicable Federal anti-discrimination laws, including an Allocatee providing employment or financial preferences or set-asides based on any person’s race, ethnicity, or sex, in a manner that is inconsistent with any applicable Federal anti-discrimination laws, and (ii) adopt, implement, and maintain policies and procedures reasonably designed to ensure the Allocatee’s compliance with applicable Federal anti-discrimination laws. In addition, annually, the Allocatee shall certify the existence and administration of such policies and procedures and make them available for review upon request by the CDFI Fund.”

While LADF is using its 2022 NMTC Allocation, and is not subject to this provision, one of its partner CDEs in the transaction (*USBCDE LLC*) is using their 2024-2025 NMTC Allocation and thus applicable language will be incorporated into the QLICI loan documents to ensure that the QALICB maintains compliance with this new anti-discrimination provision.

#### Reimbursement of Costs

As part of guidance published by the CDFI Fund in December 2015 a new provision, Section 3.3(j), was incorporated into all allocation agreements after that time pertaining to monetizing existing assets in NMTC transactions. Section 3.3(j) of the 2022 Allocation Agreement reads as follows:

“The Allocatee shall not make a QLICI in a QALICB where such QLICI proceeds are used, in whole or in part, to repay or refinance expenditures incurred by a debt or equity provider whose capital was used to fund the QEI, or are used to repay or refinance expenditures incurred by any Affiliate of such a debt or equity provider, except where:

- (i) the QLICI proceeds are used to repay or refinance documented reasonable expenditures of the debt or equity provider (or its Affiliate), that are directly attributable to the qualified business of the QALICB, and such expenditures were incurred no more than 24 months prior to the QLICI closing date; or
- (ii) no more than 5 percent of the QLICI proceeds are used to repay or refinance documented reasonable expenditures of the debt or equity provider (or its Affiliate) that are directly attributable to the qualified business of the QALICB.

For purposes of this subsection, refinance includes transferring cash or property, directly or indirectly, to the debt or equity provider or an Affiliate of the debt or equity provider.”

LADF's QLICI will comply with Section 3.3(j)(i) since none of the QLICI proceeds will be used to reimburse any costs incurred by the Sponsor prior to the 24-month period ending on the NMTC closing. An AUP will be provided by Novogradac & Company LLP, the accounting firm also producing the financial projections for the NMTC transaction, to confirm this.

## **DEMONSTRATED NEED FOR NMTC FINANCING (“BUT FOR” TEST)**

The equity generated through the NMTC structure will provide an estimated \$5.0 million in subsidy (*net of NMTC closing costs, placement/origination fees, management fees, and ongoing expenses*) to the Project. This represents 19.8% of the \$25.5 million QEI in the transaction and 8.4% of the \$59.7 million total project cost.

The Project requires NMTC financing to close its remaining funding gap and maintain the current construction timeline. While Gateways has secured significant support, the specialized nature of the 37-bed adolescent inpatient psychiatric facility, HCAI requirements, and construction cost escalation have increased total project costs.

Without NMTC subsidy, the Project could face delays, scope reductions, or additional debt burden on the nonprofit Sponsor. NMTC financing will help preserve Gateways’ operating capacity and ensure the timely delivery of expanded mental health services for low-income, uninsured, and underinsured adolescents in Los Angeles County.

## **COLLATERAL AND GUARANTEES**

The Project will also use other sources of financing, including the State BHCIP Grant (*which is expected to be fully deployed by the NMTC closing*) and the municipal bond facility (*which will be deployed after the NMTC financing is expended*); however, under the terms of the grant and bond facility the NMTC lenders are not permitted to take a security interest in the Project’s real estate. Therefore, LADF’s QLICI loans will be secured by security interests in the construction disbursement account and LADF fee and expense reserve account.

The Sponsor and Leverage Lender will provide an indemnity to the Investor for reimbursement of lost tax credits and losses related to loss of tax credits. The Leverage Lender will also provide the CDE lenders: (1) a guaranty of payment for all construction work, interest on the QLICI loan, and fees and expenses due to the CDE and the Fund during the seven-year Compliance Period and (2) a guaranty of completion of all construction work for the Project.

## **LOAN REPAYMENT ANALYSIS/EXIT STRATEGY**

At the end of the seven-year NMTC compliance period, the transaction contemplates an unwinding on the financing structure. The LADF Sub-CDE will distribute the QLICI notes to the investment fund. Additionally, the QLICI B Note, which is tied to the NMTC Investor’s equity amount, may be forgiven at the end of the compliance period by way of an option agreement described below.

A Put-Call Option Agreement will be entered into by the Leverage Lender and US Bank (*as the Investor*) at NMTC Closing. US Bank may exercise its put option and sell its respective interest in the Fund to the Leverage Lender for \$1,000. If US Bank chooses not to exercise its put option, the Sponsor may exercise its call option. Upon exercising of either put or call option by the respective parties, the Sponsor would own all the debt associated with the proposed transaction.

## **RISKS AND MITIGANTS**

There will be limited credit and recapture risk. All significant NMTC compliance issues have been or will be addressed. The QALICB is an eligible entity, the project is located in an eligible distressed census tract, LADF’s Sub CDE is certified, there are no related party issues, and the transaction has been structured to meet the Substantially-All Test.

### ***RISK: NO REAL ESTATE COLLATERAL***

While the QLICIs will be partially collateralized by the fee reserve and disbursement accounts, they will not be collateralized by the real estate interests held by the QALICB. This adds greater risk to LADF’s financing; however, the risk is mitigated by (1) the financial strength of the Sponsor, (2) the construction project being 50% complete

as of NMTC closing, and (3) the Project being owner-occupied with a Sponsor that has a long track record of successful operations in the proposed uses of the Project.

**RISK: GENERAL**

The QALICB, Sponsor, and LADF have taken and will take measures to prevent a Recapture Event. Such measures include:

- LADF has engaged Ariel Ventures for compliance services and obtained a license for its specially designed compliance software to assure that all required reporting to the CDFI Fund is completed in a timely manner.
- No principal amortization or prepayment will be allowed during the seven-year NMTC compliance period. This will prevent putting the project in violation of the Substantially All Test, which states that 85% of the QEI must be continuously invested in QLICs during the 7-year NMTC compliance period.
- The transaction will be structured to ensure that up-streamed distributions of cash flow cannot be interpreted as redemption of capital (*i.e. a return of equity*). While return of equity to the NMTC Investor Member is not permitted, return on equity is permitted. Therefore, all cash flow up-streamed to the NMTC Investor would be structured as return on equity and would be recognized as income. If there is a return of capital, LADF is second in the waterfall (after *Genesis LA's Sub-CDE*) and would receive a return of capital only after \$17 million was returned to the CDE lenders.
- To mitigate the possibility that a portion of the QEI is returned via bankruptcy and/or foreclosure on the subject site, through the seven-year NMTC compliance period, the QALICB will be required to commit to maintaining operations at the subject location or providing for an acceptable alternative entity to do so to maintain the NMTC structure. Transaction documentation will include legal opinions that all aspects of the transaction comply with the NMTC regulations.

The economic and real estate risks of the project will be borne by the QALICB, Leverage Lender and Sponsor in their capacities as guarantors and indemnitors. However, the project-related risks are largely mitigated by the experienced development team assembled for the project as well as the feasibility of the project. The Sponsor and Leverage Lender have the organizational and financial capacity to access sufficient liquidity to cover reasonable cost overruns and move the project to completion.

## LADF FEE LOAD AND RESERVES

The LADF will receive the following fees from the transaction:

- Placement Fee – 2% of QEI (equates to \$130,000). LADF will receive fee in lump sum at closing.
- CDE Servicing & Compliance Fee – 0.75% of QEI per year for \$6.5 million of 2022 Allocation
  - This equates to \$341,250, or quarterly installments of \$12,187.50 paid out of QLICI interest received for 7 years
- CDE Expense Reimbursements – estimated at \$13,000 annually per CDE for 8 years, equates to \$104,000. QALICB will be responsible for paying all ongoing costs incurred by the Sub-CDE related to the transaction, which will consist primarily of administrative and tax expenses.

All LADF's CDE Servicing and Compliance Fees and Expense Reimbursements for the entire NMTC Compliance Period, which totals \$445,250, will be placed in a separate, controlled reserve account at close of the transaction. If the transaction unwinds after the 7th anniversary of the NMTC Closing, and the CDE Servicing & Compliance Fees reserved upfront are depleted, the QALICB will be responsible to pay for fees accrued thereafter up until the unwind of the transaction. If LADF's CDE Expense Reimbursements amount to more than \$13,000 in any given year during the Compliance Period, then \$13,000 will be paid out of the reserve account and the QALICB will be responsible for the overage.

## **POLICY EXCEPTIONS**

LADF's policy prioritizes issuing secured loans whenever possible. However, in this case, LADF's QLICs will be unsecured against the real estate interests due to the project's substantial impact and strategic importance and the Sponsor's strong track record in successfully delivering critical services. Additionally, the project poses minimal completion risk, as it is already 50% finished. The project demonstrates strong community benefits, aligning with LADF's mission and meeting key economic development objectives.

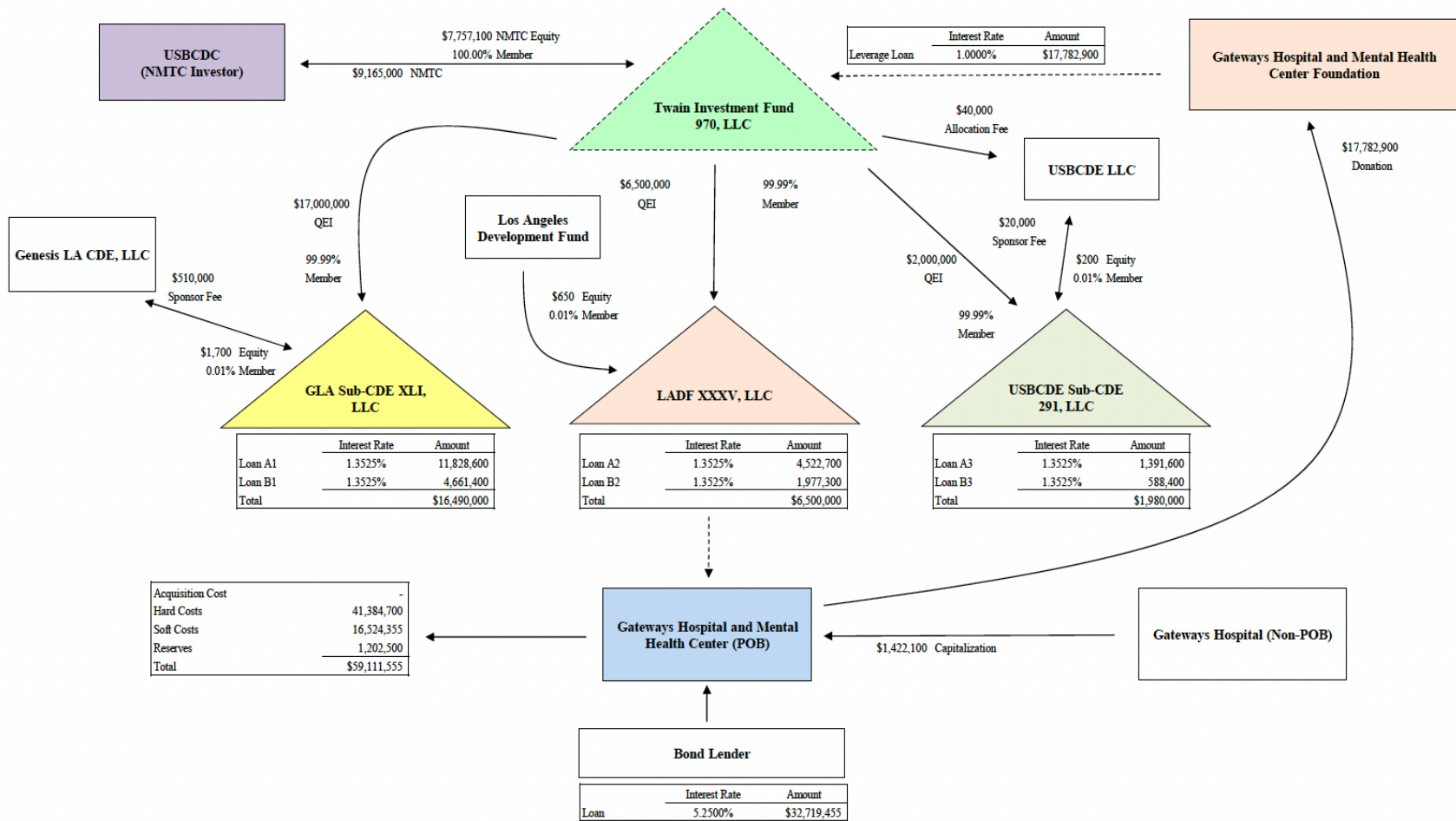
## **RECOMMENDATION**

Approval of this funding request is recommended based on the project's feasibility, readiness, and community benefits.

## **ATTACHMENTS**

EXHIBIT A: Gateways Hospital Effie Street Flow of Funds (*as of May 17, 2026* – Final Projections Pending)

## EXHIBIT A: Gateways Hospital Effie Street Flow of Funds (as of May 17, 2026 – Final Projections Pending)



# **Tab 5**

# MEMORANDUM

TO: LADF Board of Directors  
FROM: Sandra Rahimi, LADF Secretary  
DATE: June 12, 2026  
SUBJECT: LADF Anti-Discrimination Policy

## RECOMMENDATION

That the Governing Board of Directors of the Los Angeles Development Fund (LADF) authorizes an update the Los Angeles Development Fund Underwriting Procedures to include the new anti-discrimination provisions required by the CDFI Fund

## BACKGROUND AND SUMMARY

In February 2026, the CDFI Fund issued a template form of the CY 2024-2025 NMTC Allocation Agreement, which included a new provision for maintaining compliance with Federal anti-discrimination laws. This new provision, referred to as Section 3.3(k), states the following:

“(k) The Allocatee shall (i) not, to the best of its knowledge after reasonable diligence, make a QLICI in a QALICB that violates applicable Federal anti-discrimination laws, including an Allocatee providing employment or financial preferences or set-asides based on any person’s race, ethnicity, or sex, in a manner that is inconsistent with any applicable Federal anti-discrimination laws, and (ii) adopt, implement, and maintain policies and procedures reasonably designed to ensure the Allocatee’s compliance with applicable Federal anti-discrimination laws. In addition, annually, the Allocatee shall certify the existence and administration of such policies and procedures and make them available for review upon request by the CDFI Fund.”

In response, industry stakeholders have combined efforts to establish best practices in maintaining compliance with the new Section 3.3(k). Leading these efforts is the NMTC Working Group, a membership of stakeholders in the NMTC industry that collaborate to address technical, regulatory and administrative challenges, and provide actionable recommendations to federal agencies and policymakers.

While LADF was not awarded CY 2024-2025 NMTC Allocation, and is not subject to the new Section 3.3(k) under any of its existing Allocation Agreement, the industry’s recommended best practices is to proactively adopt compliance with this new provision.

## PROPOSED LANGUAGE

Below is a proposed NMTC anti-discrimination policy that was drafted by the NMTC Working Group after its collaborative efforts. This action item will authorize LADF incorporating this policy into its existing policies and procedures. Note that references to CY 2024-2025 Allocation are struck through because LADF does not have CY 2024-2025 Allocation.

### 1. Purpose

This Anti-Discrimination Policy for NMTC Investments (this “Policy”) is adopted to support LADF’s (the “Allocatee”) compliance with Section 3.3(k)(a) and Section 9.15 of its applicable New Markets Tax Credit Program Allocation Agreement and applicable federal anti-discrimination laws. This Policy is intended as a supplement to any existing or future anti-discrimination policies maintained by the Allocatee or its affiliates, is not in conflict with Allocatee’s existing policies and procedures, and is not intended to replace or amend Allocatee’s other internal policies and procedures.

## **2. Scope**

This Policy applies to all NMTC-related activities of the Allocatee and its subsidiary allocatees, including underwriting, approval, and closing of qualified low-income community investments (“QLICIs”) made under the Allocatee’s ~~CY 2024–2025 NMTC Allocation~~ (and current and future NMTC allocations, as applicable), and to the Allocatee’s own employment and financing activities to the extent subject to applicable federal anti-discrimination laws.

## **3. Compliance Standard**

The Allocatee shall not, to the best of its knowledge after reasonable diligence, make a QLICI in a qualified active low-income community business (“QALICB”) that violates applicable federal anti-discrimination laws, including by providing employment or financial preferences or set-asides based on any person’s race, ethnicity, or sex in a manner inconsistent with such laws. The Allocatee shall comply with all applicable federal anti-discrimination laws. Without limitation, Allocatee shall comply, to the extent applicable, with all federal statutes relating to discrimination, including but not limited to those statutes listed in Section 9.15 of the Allocation Agreement, as amended from time to time.

## **4. Procedures**

As part of its NMTC underwriting and closing process, the Allocatee shall:

- a) Obtain from each QALICB (or its sponsor, as applicable) a written representation or certification that the QALICB’s operations, employment practices, and business activities comply with applicable federal anti-discrimination laws;
- b) Include consideration of compliance with applicable federal anti-discrimination laws as part of its standard underwriting diligence by asking targeted questions regarding the QALICB’s compliance policies and procedures, and any prior, pending or threatened enforcement actions alleging violation of federal anti-discrimination laws;
- c) Document in the transaction file the receipt of such representations or certifications, as well as any material due diligence responses;
- d) Include appropriate anti-discrimination representations, warranties, and covenants in the definitive QLICI loan or investment documentation; and
- e) Not provide a preference or set-aside in the selection of QLICIs on the basis of any person’s race, ethnicity or sex in a manner that is inconsistent with any applicable federal anti-discrimination laws.

In addition, the Allocatee shall conduct its own operations, in compliance with applicable federal anti-discrimination laws.

## **5. Training and Administration**

This Policy shall be administered by NMTC compliance personnel and shall be shared with relevant staff involved in employment, underwriting, closing, and compliance.

## **6. Annual Certification**

The Allocatee shall annually certify the existence and administration of this Policy. This Policy shall be made available to the CDFI Fund upon request.

## **7. Review and Updates**

This Policy shall be reviewed periodically and updated as necessary to reflect changes in applicable law, NMTC program requirements, or Allocatee practices.”

## **ATTACHMENTS**

None.