

LADF

LOS ANGELES DEVELOPMENT FUND

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

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

September 12, 2024

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

September 12, 2024

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- 2 Materials regarding Approval of Minutes for Board Meeting(s):
 - May 21, 2024
- 3 Materials regarding Discussion Item A & B:
 - LADF Pipeline Update
 - Food Access LA Memo
- 4 Materials regarding Action Item A:
 - 2024 LADF Budget

Tab 1

A G E N D A

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

HYBRID MEETING

**To Join in Person: City Hall, Room 1060 | 200 N Spring St, Los Angeles, CA 90012
To Join via Zoom: Dial (669) 444-9171 US | Meeting ID: 861 9648 2492**

Thursday, September 12, 2024 | 2:30-4:00 pm

	AGENDA ITEM	PRESENTER	TAB
	Welcome and Call to Order	Carolyn Hull	
	Roll Call	Sandra Rahimi	
	Public Comment	Carolyn Hull	
1	Approval of Minutes for Board Meeting(s) on:	Carolyn Hull	
	a. May 21, 2024		Tab 2
2	Discussion Items	Sandra Rahimi	
	a. Project Presentation:		
	1. Food Access LA	Project Rep.	Tab 3
	2. Wadsworth Chapel		
	3. NLSLA Justice Center		
	b. LADF Pipeline Update		
3	Action Items	Sandra Rahimi	Tab 4
	a. Request for Approval of 2024 LADF Budget		
4	Future Agenda Items		
	a. LADF Microloan Program RFP Proposals Review		
	b. LADF Employee Annual Performance Review		
5	Next Meeting Date and Time of Governing Board		
	a. Thursday, October 10, 2024, 2:30-4:00 pm		
	Public Comment	Carolyn Hull	
	Adjournment	Carolyn Hull	

The LADF's Board Meetings are open to the public. Accommodations such as sign language interpretation and translation services can be provided upon 72 hours notice. Contact LADF @ (213) 808-8959. **PUBLIC COMMENT AT LADF BOARD MEETINGS** – An opportunity for the public to address the Board will be provided at the conclusion of the agenda. Members of the public who wish to speak on any item are requested to identify themselves and indicate on which agenda item they wish to speak. The Board will provide an opportunity for the public to speak for a maximum of three (3) minutes, unless granted additional time at the discretion of the Board. Testimony shall be limited in content to matters which are listed on this Agenda and within the subject matter jurisdiction of the LADF. The Board may not take any action on matters discussed during the public testimony period that are not listed on the agenda.

Tab 2

LOS ANGELES DEVELOPMENT FUND
MINUTES OF THE MEETING OF THE GOVERNING BOARD OF LADF AND LADF MANAGEMENT, INC.
Tuesday May 21, 2024

SPECIAL MEETING
City Hall, Room 1070 | 200 N Spring St, Los Angeles, CA 90012
To Join via Telephone: Dial (669) 444-9171 US | Meeting ID: 893 2951 3283

LADF STAFF PRESENT:

- Sandra Rahimi
- Christopher Chorebanian
- Jiaqi Wu

WELCOME AND CALL TO ORDER – Los Angeles Development Fund (LADF) Carolyn Hull called the meeting to order at **03:11pm**.

ROLL CALL

The following Governing Board directors were present at the meeting:

- Director Hull (Chairperson)
- Director Esparza (3:16pm)
- Director Chavez
- Director Sewill (3:15pm)
- Director Kalfayan

A QUORUM WAS PRESENT

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

a. March 12nd, 2024

- Moved by Director Kalfayan. Seconded by Director Chavez.
- Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.

2. ACTION ITEMS

- a. Request for Authorization for LADF staff to select the Pacific Asian Consortium in Employment (PACE) as the loan servicer for LADF's JEDI Zone Microloan Program to assist with outreach, underwriting, closing, servicing, and reporting for the loan program.**
 - The board postponed the vote and requested additional information.
- b. Request to authorize the President, or their designee, to extend the purchase order contract with Karen Brooks for providing marketing consulting services for a 24-month period ending on May 31, 2026, with options for two additional one-year renewals.**
 - Item b to g are collectively moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- c. Request to authorize the President, or their designee, to extend the purchase order contract with Nixon Peabody for the provision of legal services for an additional 24 months, concluding on May 31, 2026, with the options of two subsequent one-year renewals.**
 - Item b to g are collectively moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- d. Request to authorize the President, or their designee, to extend the purchase order contract with Bergman and Allderdice to provide legal services for a 24-month period ending on May 31, 2026, with the option for two one-year extensions.**
 - Item b to g are collectively moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.

- e. **Request to authorize the President, or their designee, to extend the purchase order contract with Josephine Diaz to provide accounting and bookkeeping services for a 24-month period ending on May 31, 2026, with options for two additional one-year renewals.**
 - Item b to g are collectively moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- f. **Request to authorize the President, or their designee, to extend the purchase order contract with Novogradac Company LLP to provide accounting and tax services for a 24-month period ending on May 31, 2026, with the option for two one-year extensions.**
 - Item b to g are collectively moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- g. **Request to authorize the President, or their designee, to extend the purchase order contract with Ariel Ventures to provide NMTC compliance, loan servicing, investor and QALICB reporting, and bookkeeping and payroll services for a 24-month period ending on May 31, 2026, with the option for two one-year extensions.**
 - Item b to g are collectively moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.

REQUEST FOR FUTURE AGENDA ITEMS

- a. LADF Underwriting and Risk Assessment Procedures and Policies Update
- b. LADF Budget Review
- c. NLSLA (Neighborhood Legal Services Center) Project Presentation

PUBLIC COMMENT

- None.

ADJOURNMENT

- Meeting was adjourned at **03:54 pm**.

Tab 3

LADF

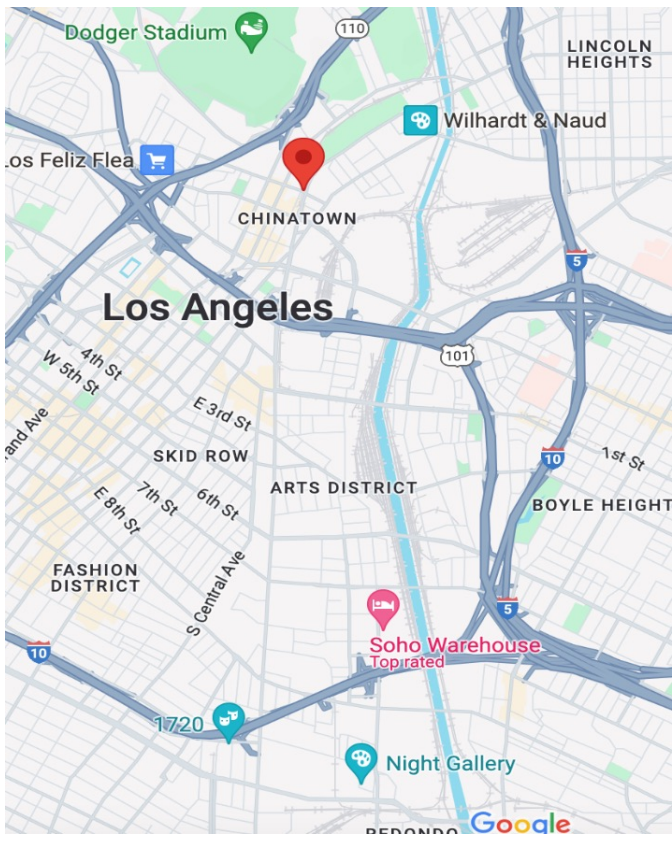
LOS ANGELES DEVELOPMENT FUND

PIPELINE PROFILES

**LADF Board Meeting
September 2024**

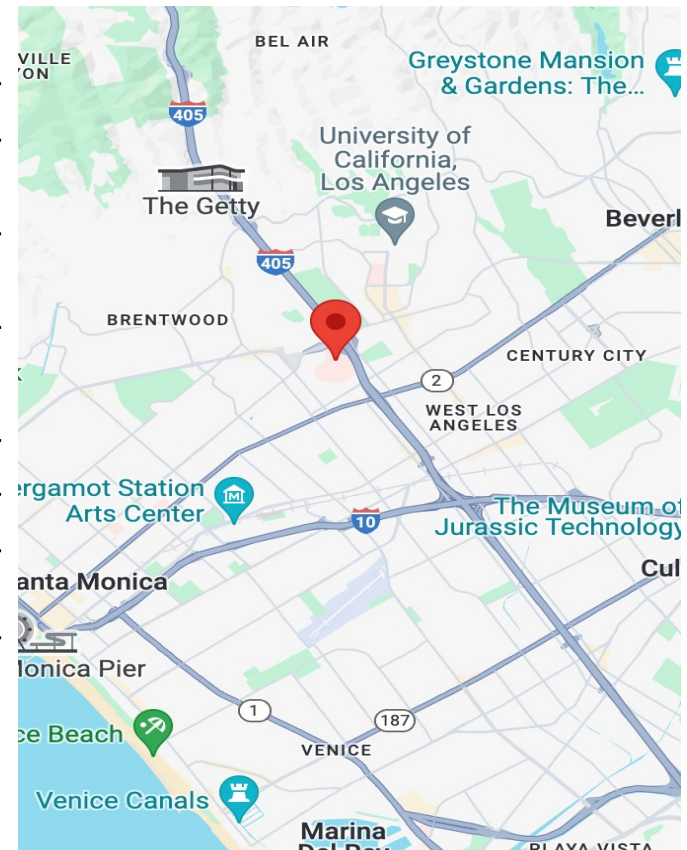
FOOD ACCESS LA

Developer:	Food Access LA								
Project Type:	Non-Real Estate; Working Capital								
Description:	<p>Food Access LA operates 8 farmers markets and provides healthy food and vendor education in low-income areas of Los Angeles. NMTC funding will enable Food Access LA to avoid closing two long-standing South LA markets by the end of September, expand market operations, enhance their EBT match program, grow educational and vendor support initiatives, and establish strategic partnerships. Proposed NMTC transaction would fund a portion of the business (POB) of FALA representing 5 of their 8 farmers markets. All of the 5 markets in the POB are in low-income communities and 4 of the 5 are located in USDA-designated Food Deserts. Food Access LA also offers programs in nutrition education, urban agriculture, small food-business entrepreneurship, and an online ordering platform that enhances access to food assistance benefits.</p> <p>Their "Market Match" program allows those with EBT/SNAP to come to the market, use their EBT/SNAP, and get a cash match for use at the market (<i>up to \$10 currently; FALA's goal is to increase to \$30 match</i>). Their "Urban Ag" program is focused on helping community members set up their own gardens and possibly become urban farmers/business owners. Their goal is to add 20 vendors per year to their farmers markets through the Urban Ag program.</p> <p>NOTE: 2 of the 5 markets (Watts/Willowbrook and Compton) are not located in the City of LA. LADF staff proposes its funding excludes the Compton market. The Watts/Willowbrook market's proximity to the City of LA warrants consideration for LADF's funding.</p>								
Location and Census Tract Eligibility (2016-2020 ACS Poverty Rate / % of AMI / Unemp Rate):	<p>HQ Office [incl. in POB]: 1231 N. Spring St, Los Angeles, CA 90012 (CD 1) – 30% / 44% / 2.6x</p> <p>Farmers Markets included in the POB for the NMTC transaction [all in Severely Distressed CTs]:</p> <ul style="list-style-type: none"> > Central Ave – 4301 S Central Ave, Los Angeles, CA 90011 (CD 9) – 31% / 54% / 1.6x > Hollywood – 1600 Ivar Ave, Los Angeles, CA 90028 (CD 13) – 37% / 73% / 1.4x > LA River – 1245 N Spring St, Los Angeles, CA 90012 (CD 1) – 30% / 44% / 2.6x > Watts/Willowbrook – 1670 East 120th Street, Los Angeles, CA 90059 (L.A. County Unincorp.) – 12% / 67% / 2.0x > Compton College – 1111 E Artesia Blvd, Compton, CA 90221 [NOT FUNDED BY LADF] – 7% / 80% / 1.7x 								
Estimated TDC & NMTC Allocation:	<table border="0"> <tr> <td>Budget:</td> <td>\$ 12.5 million</td> <td>Total QEI:</td> <td>\$ 12.5 million</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 6.0 million</td> </tr> </table>	Budget:	\$ 12.5 million	Total QEI:	\$ 12.5 million			LADF QEI:	\$ 6.0 million
Budget:	\$ 12.5 million	Total QEI:	\$ 12.5 million						
		LADF QEI:	\$ 6.0 million						
Potential Sources of Funds:	<table border="0"> <tr> <td>1-Day Loan (<i>reimb. of prior expenses</i>)</td> <td>\$ 8,600,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 3,900,000</td> <td></td> </tr> </table>	1-Day Loan (<i>reimb. of prior expenses</i>)	\$ 8,600,000	Lev. Loan Eligible	NMTC Equity (\$0.80 / NMTC):	\$ 3,900,000			
1-Day Loan (<i>reimb. of prior expenses</i>)	\$ 8,600,000	Lev. Loan Eligible							
NMTC Equity (\$0.80 / NMTC):	\$ 3,900,000								
Projected Closing:	Ready to close upon securing NMTC Allocation								
Current Status:	> Genesis LA is considering providing a \$6.5 million allocation								
Community Benefits/Impact: (5 markets in the POB)	<ul style="list-style-type: none"> > Job Creation: 30 FTEs Retained 3 FTEs Created (775 vendor jobs supported) > Number of People Served: 8,000 visitors/week (>50% low-income). > Small Businesses Supported: 225-300 vendors annually (>50% BIPOC-owned) 								



WADSWORTH CHAPEL

Developer:	U.S. VETS									
Project Type:	Renovation; Mental and Spiritual Wellness Center for veterans.									
Description:	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 7,500 SF Wadsworth Chapel , 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 360 veterans annually and a non-denominational spiritual space hosting 250 events each year .									
Location:	11301 Wilshire Blvd, Los Angeles, CA 90073 (federal land within CD 11)									
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 62.2% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 50.39% of Metro/State Median Income (<i>less than 80% and 60%</i>) 									
Estimated TDC & NMTC Allocation:	<table border="0"> <tr> <td>Budget:</td> <td>\$ 32 million</td> <td>Total QEI:</td> <td>\$ 28.5 million</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 14.5 million</td> </tr> </table>	Budget:	\$ 32 million	Total QEI:	\$ 28.5 million			LADF QEI:	\$ 14.5 million	
Budget:	\$ 32 million	Total QEI:	\$ 28.5 million							
		LADF QEI:	\$ 14.5 million							
Potential Sources of Funds:	<table border="0"> <tr> <td>Capital Campaign, Historic Tax Credits (bridged), and 2023 CPF Grant from HUD</td> <td>\$ 19,600,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td colspan="3">.....</td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 8,900,000</td> <td></td> </tr> </table>	Capital Campaign, Historic Tax Credits (bridged), and 2023 CPF Grant from HUD	\$ 19,600,000	Lev. Loan Eligible			NMTC Equity (\$0.80 / NMTC):	\$ 8,900,000	
Capital Campaign, Historic Tax Credits (bridged), and 2023 CPF Grant from HUD	\$ 19,600,000	Lev. Loan Eligible								
.....										
NMTC Equity (\$0.80 / NMTC):	\$ 8,900,000									
Projected Closing:	Q2 2025									
Current Status:	➤ Project is on the Historic Register. CA State Historic Preservation Office (SHPO) approval anticipated by the end of 2024.									
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 10 Permanent & 60 part-time contractors – 150 Construction ➤ Mental & Spiritual Care for Veterans & Homeless Veterans – The project will serve 360 people per year on-site with its life-changing Moral Injury Recovery Programs (<i>historically the program has served >70% low-income, >60% homeless, 76% BIPOC</i>). 									



NLSLA JUSTICE CENTER

Developer:	Neighborhood Legal Services of Los Angeles County (NLSLA)		
Project Type:	Sponsor's HQ Office & Justice Center, New Construction		
Description:	<p>This project is the new construction of a 25,000 SF Justice Center in the Pacoima area. The Sponsor, NLSLA, is a nonprofit organization with a 55-year track record of providing legal help to Los Angeles' low-income communities. The new Justice Center will allow NLSLA to significantly increase the number of people the organization serves across Los Angeles County. NLSLA's current office in Pacoima – which will be acquired by L.A. Metro for the construction of a much-needed light rail extension – was first opened in 1965 by a group of attorneys looking to expand access to healthcare, housing, and justice in the San Fernando Valley. The Justice Center will accommodate approx. 100 NLSLA staff and the following services: NLSLA Health Consumer Center, housing and homelessness services, family law/domestic violence advocacy, and disaster legal assistance programs.</p>		
Location:	13411 Van Nuys Blvd, Pacoima, CA 91331 (CD 7)		
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 23.7% Poverty Rate (greater than 20% and 30%) ➤ 49.2% of Metro/State Median Income (less than 80% and 60%) ➤ 1.63x National Avg. Unemployment (greater than 1.5x) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 40,500,000	Total QEI: \$ 36,000,000 LADF QEI: \$ 14,500,000
Potential Sources of Funds:	Public Funding Sources:	\$ 12,000,000	Lev. Loan Eligible
	Private Capital Campaign:	\$ 17,250,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 11,250,000	
Projected Closing:	Q2/Q3 2025		
Current Status:	➤ project has been delayed until May 2025. Genesis has agreed to provide allocation of 15 million.		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 106 Permanent (77 ret. / 29 new) – 40 Construction ➤ NLSLA Provides training and employment opportunities, including internships and professional development. ➤ NLSLA serves over 116,000 low-income individuals and families annually, with the new facility expanding their reach by 50% ➤ NLSLA is a minority-controlled nonprofit organization. 		



RESEDA THEATRE

Developer:	Azure Community Development, Inc.									
Project Type:	Entertainment and Small Business Incubator									
Description:	The Reseda Theater & Public Market project is revitalizing a historic 15,860 square foot 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 300-1,000 square feet each, a 92-seat craft beer garden, two movie theaters totaling 100 seats, and a weekday community meeting space. Tenants will benefit from interest-free, forgivable \$50,000 start-up loans and 20-25% below-market rent. This initiative is set to rejuvenate a once-thriving area, significantly affected since the 1970s, by promoting local business and community engagement in a historically rich location.									
Location:	18447 West Sherman Way, Los Angeles, CA 91335 (CD 3)									
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 55.7% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ Federally-designated Opportunity Zone 									
Estimated TDC & NMTC Allocation:	<table style="width: 100%; border-collapse: collapse;"> <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							
Potential Sources of Funds:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Sect. 108 & Other Debt (TBD):</td> <td style="width: 20%;">\$ 9,070,000</td> <td style="width: 40%;">Lev. Loan Eligible</td> </tr> <tr> <td>City of Los Angeles (<i>grant</i>):</td> <td>\$ 1,250,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 4,680,000</td> <td></td> </tr> </table>	Sect. 108 & Other Debt (TBD):	\$ 9,070,000	Lev. Loan Eligible	City of Los Angeles (<i>grant</i>):	\$ 1,250,000	Lev. Loan Eligible	NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000	
Sect. 108 & Other Debt (TBD):	\$ 9,070,000	Lev. Loan Eligible								
City of Los Angeles (<i>grant</i>):	\$ 1,250,000	Lev. Loan Eligible								
NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000									
Projected Closing:	TBD									
Current Status:	➤The plans and specs are underway. Zoning allows the project use by-right. Permits are anticipated by the end of 2024.									
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Jobs Creation: 42 Permanent (<i>created</i>) – 45 Construction ➤Latina-led and -controlled non-profit. The GC is also an MBE. ➤Start-Up Loan Program: Up to \$50k forgivable loans for tenant start-ups, 25% forgiven annually over 4 years if business remains operational. ➤Sponsor to recruit food tenants via local WorkSource entrepreneurship program; tenants to have at least one site (e.g., food truck) for business growth. 									

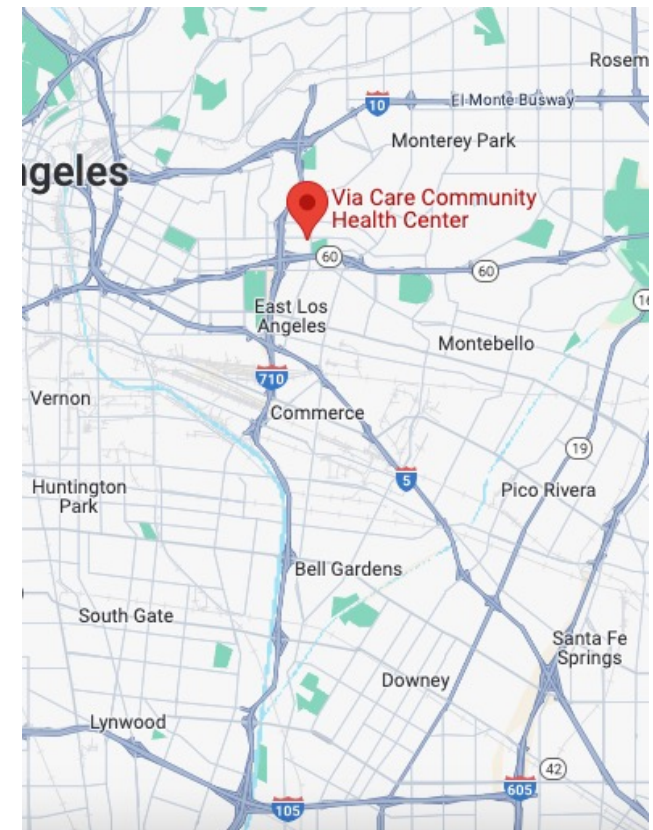


VIA CARE CESAR CHAVEZ HEALTH AND WELLNESS CAMPUS

Developer:	Via Care Community Health Center								
Project Type:	New Construction; Medical Facility								
Description:	Via Care Community Health Center, a non-profit Latino-led FQHC, is replacing its 4,500 SF storefront in East LA with a 25,000 SF facility. Currently serving 8,000 patients with 32,000 visits annually, the new facility will serve 17,200 patients with 68,000 visits , marking a 115% increase . Phase 1 includes 12 medical exam rooms, 4 dental bays, after-hours urgent care, mental health counseling, and case management offices. This project is the first of two phases converting a storefront FQHC and two vacant parcels into a comprehensive medical and wellness campus. Phase 2 will cost \$42MM and add a retail pharmacy, women's health and pediatrics, pediatric dental services, and a laboratory. Combined, both phases will serve 34,600 patients with 174,000 visits annually . Via Care's patient base is over 95% low-income and 94% on Medi-Cal , with a board and leadership team predominantly BIPOC.								
Location:	4755 E Cesar E Chavez Ave, East Los Angeles, CA 90022 (unincorporated County land within CD 14)								
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 64.5% of Metro/State Median Income (<i>less than 80% and 70%</i>) ➤ Project will serve Targeted Populations (<i>90% LIPs served currently</i>) 								
Estimated TDC & NMTC Allocation:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Budget:</td> <td style="width: 30%;">\$ 38,805,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 33,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table>	Budget:	\$ 38,805,000	Total QEI:	\$ 33,000,000			LADF QEI:	\$ 10,000,000
Budget:	\$ 38,805,000	Total QEI:	\$ 33,000,000						
		LADF QEI:	\$ 10,000,000						
Potential Sources of Funds:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Capital Campaign, Sponsor's cash-on-hand, and debt</td> <td style="width: 20%;">\$ 22,700,000</td> <td style="width: 40%; text-align: center;">Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 10,300,000</td> <td></td> </tr> </table>	Capital Campaign, Sponsor's cash-on-hand, and debt	\$ 22,700,000	Lev. Loan Eligible	NMTC Equity (\$0.80 / NMTC):	\$ 10,300,000			
Capital Campaign, Sponsor's cash-on-hand, and debt	\$ 22,700,000	Lev. Loan Eligible							
NMTC Equity (\$0.80 / NMTC):	\$ 10,300,000								
Projected Closing:	TBD								
Current Status:	<ul style="list-style-type: none"> ➤ The sponsor has acquired the site. Permits will be submitted in Q3 2024 and are expected by March 2025. A zoning change is underway and anticipated in late 2024. 								
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Jobs: 78 Permanent (<i>65 created / 13 ret.</i>) – 200 Construction ➤ The project will serve (Phase I only) 17,200 unique patients/year with 68,000 visits annually. Over 95% of those served are low-income and 96% are BIPOC. 								

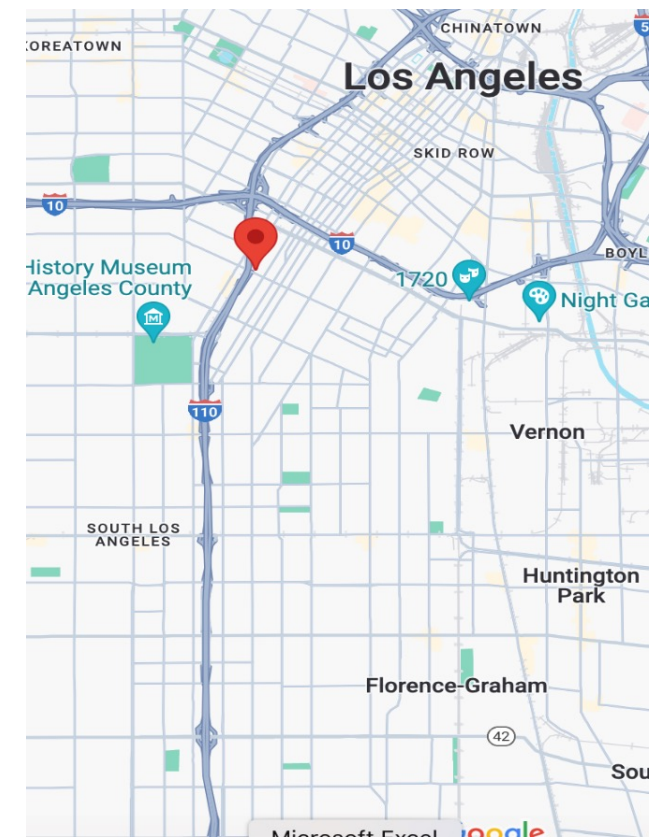
Via Care

BUILDING FOR THE FUTURE
The Campaign for Via Care



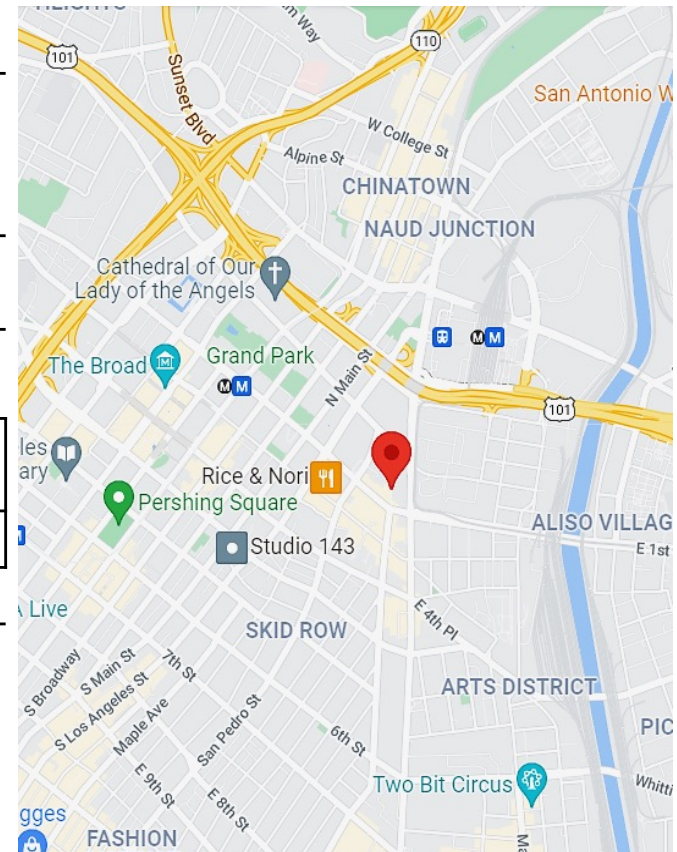
LUSKIN ORTHOPAEDIC INSTITUTE FOR CHILDREN

Developer:	The Luskin Orthopaedic Institute for Children								
Project Type:	Healthcare: Expanding critical healthcare for Low-Income Children & Adults								
Description:	The Luskin Orthopaedic Institute for Children ("LuskinOIC") is undertaking an expansion project to enhance orthopedic services in south Los Angeles, a community with notable medical needs. This initiative will provide expanded orthopaedic services 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 117,000 SF buildings for better accessibility for patients and their families. Previously, in 2017, LuskinOIC carried out a New Markets Tax Credit 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 (>93% low-income children) from nearby areas. The expansion is projected to bring in 5,000 more visits annually and double the surgical volume, accommodating an extra 650 cases yearly.								
Location:	403 West Adams Boulevard, Los Angeles, CA 90007 (CD 9)								
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 38.2% Poverty Rate (greater than 20% and 30%) ➤ 30.0% of Metro/State Median Income (less than 80% and 60%) 								
Estimated TDC & NMTC Allocation:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Budget:</td> <td style="width: 30%;">\$ 12,000,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 12,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 12,000,000</td> </tr> </table>	Budget:	\$ 12,000,000	Total QEI:	\$ 12,000,000			LADF QEI:	\$ 12,000,000
Budget:	\$ 12,000,000	Total QEI:	\$ 12,000,000						
		LADF QEI:	\$ 12,000,000						
Potential Sources of Funds:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Sponsor Equity / Fundraising:</td> <td style="width: 20%;">\$ 8,260,000</td> <td style="width: 40%; text-align: right;">Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 3,740,000</td> <td></td> </tr> </table>	Sponsor Equity / Fundraising:	\$ 8,260,000	Lev. Loan Eligible	NMTC Equity (\$0.80 / NMTC):	\$ 3,740,000			
Sponsor Equity / Fundraising:	\$ 8,260,000	Lev. Loan Eligible							
NMTC Equity (\$0.80 / NMTC):	\$ 3,740,000								
Projected Closing:	TBD								
Current Status:	➤ LuskinOIC currently owns the property and there is no entitlement risk. Closing targeting March 2024.								
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Jobs: 170 Permanent (20 created / 150 ret.) – 26 Construction ➤ Introduction of MRI and Hi Rise CurveBeam CT Scanner. ➤ Expansion of therapy facility & ASC with second surgical suite. ➤ Building enhancements for mobility; outcomes: 5,000 additional yearly visits and doubling surgeries with an extra 650 cases annually. 								



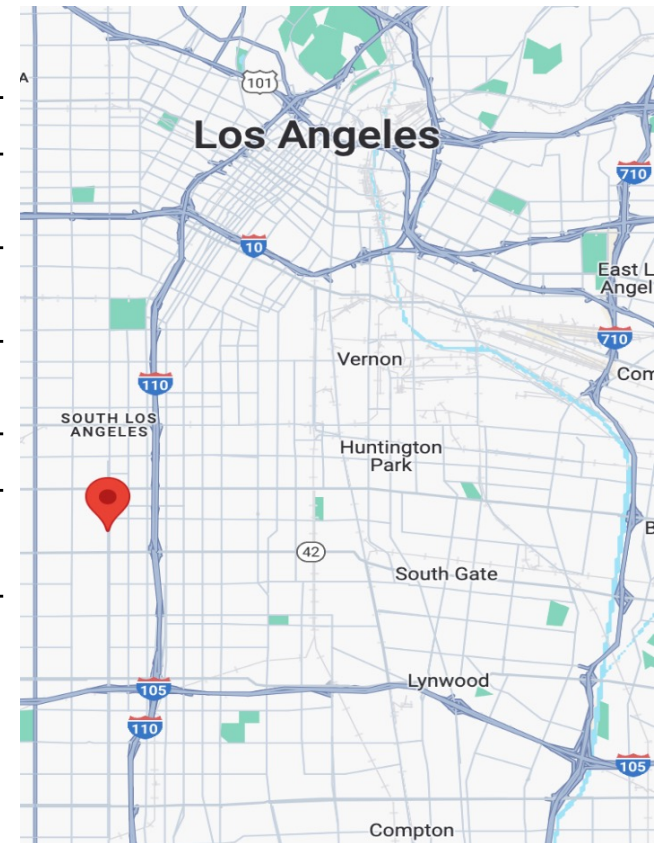
MARLTON SQUARE PHASE I

Developer:	Hudson Properties				
Project Type:	Redevelopment ; 137,000 SF Creative Office, 105,000 SF Retail (Total: 242,000 SF) including Grocery Stores, Food Incubators, and an Urban Farm.				
Description:	This site in Council District 10 includes property that is owned by the City and property that is owned by the former CRA and controlled by the City. The proposed uses include 300,000 sf. of offices, a 19,000 sf. grocery store with organic food options and health care training, a 10,000 sf. incubator , that will prioritize job training and small business development for local food entrepreneurs from South Los Angeles, an urban farm that will provide fresh produce for the food incubator and grocery store as well as job training and full time employment for local residents, and a 15,000 sf. co-working space to provide low cost creative space for local entrepreneurs. There will be a 25% - 35% goal for MBE firms , and 25% of the developer's profit will be committed to a fund for economic development.				
Location:	3782, 3838-3916 West Martin Luther King Jr. Blvd. , 90008 (CD 10) 3700, 3738-3772 West Martin Luther King Jr. Blvd. , 90008 (CD 10) 3800-3824 West Martin Luther King Jr. Blvd. , 90008 (CD 10) 4011 - 4027 South Marlton Avenue, 90008 (CD 10)				
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 29.9% Poverty Rate (greater than 20%) ➤ 52.0% of Metro/State Median Income (less than 80% and 60%) 				
Estimated TDC & NMTC Allocation:	<table border="0" style="width: 100%;"> <tr> <td>Phase I Budget: \$ 80,000,000</td> <td>Total QEI: \$ 30-40mm</td> </tr> <tr> <td>Total project budget: \$173,554,174</td> <td>LADF QEI: \$ TBD</td> </tr> </table>	Phase I Budget: \$ 80,000,000	Total QEI: \$ 30-40mm	Total project budget: \$173,554,174	LADF QEI: \$ TBD
Phase I Budget: \$ 80,000,000	Total QEI: \$ 30-40mm				
Total project budget: \$173,554,174	LADF QEI: \$ TBD				
Potential Sources of Funds:	The project is actively seeking potential sources of funds				
Projected Closing:	TBD				
Current Status:	<ul style="list-style-type: none"> ➤ Evaluate Financial Feasibility and Entitlement's Timing 				
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 650 Permanent – 600 Construction ➤ Key features: 300,000 sq. ft. offices, 19,000 sq. ft. organic grocery store, job-focused incubator, urban farm, and co-working space. ➤ Emphasis on local job training and small business development. ➤ Commitment to MBE firm participation (25% - 35%) and 25% of developer's profit for economic development. 				



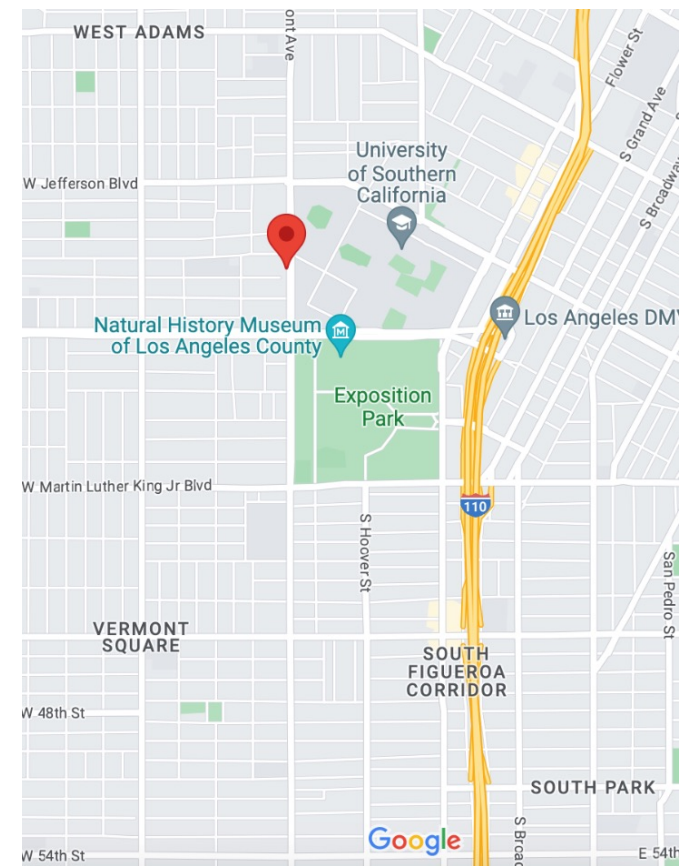
CENTER FOR COMMUNITY ORGANIZING

Developer:	Community Coalition (CoCo)								
Project Type:	New Construction; Community Facility								
Description:	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.								
Location:	7514, 7518-7526 S Vermont Ave. Los Angeles, CA 90044 (CD 8)								
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 22.6% Poverty Rate (<i>greater than 20%</i>) ➤ 58.0% of Metro/State Median Income (<i>less than 80% and 60%</i>) 								
Estimated TDC & NMTC Allocation:	<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%;">\$ 30-40mm</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ TBD</td> </tr> </table>	Budget:	\$ 40,000,000	Total QEI:	\$ 30-40mm			LADF QEI:	\$ TBD
Budget:	\$ 40,000,000	Total QEI:	\$ 30-40mm						
		LADF QEI:	\$ TBD						
Potential Sources of Funds:	The project is actively seeking potential sources of funds								
Projected Closing:	2025								
Current Status:	<ul style="list-style-type: none"> ➤ 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. 								
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation and Retention: TBD ➤ Aim to triple their student reach 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). ➤ Educational Impact: Significant positive outcomes in graduation and higher education rates, directly linked to their civic engagement services. ➤ Building capacity of organizations led by <i>People of Color</i> 								



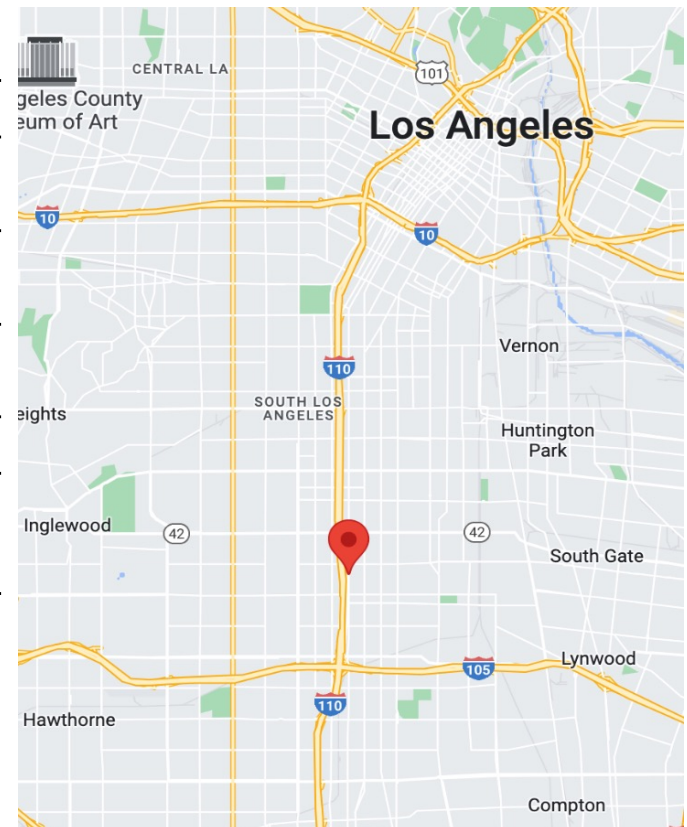
BETHUNE LIBRARY

Developer:	Orion Capital LLC								
Project Type:	Commercial (Hotel)								
Description:	The Bethune Library redevelopment, located at 3685 S Vermont in Council District 8, aims to transform a 34,000 sq. ft. area into a hotel, featuring community benefits like a 2,800 sq. ft. educational center and a versatile space on the second floor. Zoned C2-2D-CPIO, this project will also contribute to CRA/LA through a fair market value sale. It faces a pressing sale deadline of December 31, 2024, with a further extension to December 31, 2027, as per AB 480. The development, estimated at \$70,825,104, is expected to create approximately 100 - 150 permanent full-time jobs , marking a significant boost to the local economy.								
Location:	3685 S Vermont Ave, Los Angeles, CA 90007 (CD 8)								
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 33.6% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 47.0% of Metro/State Median Income (<i>less than 80% and 60%</i>) 								
Estimated TDC & NMTC Allocation:	<table border="0" style="width: 100%;"> <tr> <td>Budget:</td> <td>\$ 70,000,000</td> <td>Total QEI:</td> <td>\$ TBD</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ TBD</td> </tr> </table>	Budget:	\$ 70,000,000	Total QEI:	\$ TBD			LADF QEI:	\$ TBD
Budget:	\$ 70,000,000	Total QEI:	\$ TBD						
		LADF QEI:	\$ TBD						
Potential Sources of Funds:	The project is actively seeking potential sources of funds								
Projected Closing:	TBD								
Current Status:	<ul style="list-style-type: none"> ➤ State-imposed deadline updated to 12/31/27 ➤ Entitlements approved ➤ 5th Amendment expired on September 10, 2022; working on approval for the 6th Amendment 								
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 100-150 Permanent – TBD Construction ➤ A 2,800 square-foot educational center. ➤ Second floor community amenity space, including additional meeting/conference rooms and a multi-purpose room. ➤ \$1 million for local services like affordable housing, arts, job fairs, STEM education, and meal services. ➤ Union wages for hotel workers, with prevailing construction wages being discussed. 								



94TH AND BROADWAY

Developer:	94B, LLC								
Project Type:	Mixed use: Grocery Store + 180 units of affordable housing (11% ELI)								
Description:	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 5 acres , 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 redemption project involves converting the site into a vibrant residential and commercial hub. Plans include the construction of 180 apartments , with a notable inclusion of 20 affordable units , addressing the pressing need for housing in the area. Complementing the residential aspect, a 25,000 square foot 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.								
Location:	9402-9422 S Broadway, Los Angeles, CA 90003 (CD 8)								
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 35.3% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 52.0% of Metro/State Median Income (<i>less than 80% and 60%</i>) 								
Estimated TDC & NMTC Allocation:	<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						
Potential Sources of Funds:	The project is actively seeking potential sources of funds								
Projected Closing:	TBD								
Current Status:	<ul style="list-style-type: none"> ➤ Submitting third group of invoices to DTSC for payment of contractor services and City's management of projects; Assisting with Lot line adjustment 								
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 75 Permanent – TBD Construction ➤ Affordable Housing and Residential Development: The redevelopment of the site in Council District 8 includes constructing 180 apartments, featuring 20 affordable units. ➤ Grocery Access: A 25,000 square foot ALDI store to enhance fresh produce availability. ➤ Environmental : \$2.7 million grant from DTSC for soil cleanup. 								



MEMORANDUM

TO: LADF Board of Directors
FROM: Sandra Rahimi, LADF Secretary
DATE: September 12, 2024
SUBJECT: Food Access LA Project Introduction & Risk Benefit Analysis

SUMMARY

LADF staff would like to submit a new pipeline project, Food Access LA, for consideration by the LADF Governing Board. The purpose of this memo is to highlight the impacts of this project and discuss the compliance risks and mitigants for LADF in providing NMTC financing to an operating business for working capital purposes.

OPPORTUNITY

On July 1, 2024, Alison Paige, a New Markets Tax Credits (“NMTC”) consultant that has worked on many NMTC transactions with LADF, introduced the Food Access LA project to LADF staff. This organization operates farmers markets and food education programs in low-income areas in and around Los Angeles, aiming to increase access to healthy foods for underserved populations. Most of their office and market sites are in NMTC Qualified Census Tracts (many of which also meet the more stringent “severe distress” criteria) and 5 of their 8 farmers market locations are in USDA-designated Food Deserts. They serve 10,000 people per week, of whom approximately 45% are low-income. The markets also support 320-400 unique, predominantly minority-owned small businesses and over 960 vendor jobs annually.

Key programs offered by Food Access LA include Market Match, which doubles EBT/SNAP purchasing power, attracting low-income shoppers and increasing vendor sales. They also run two nutrition programs, offering adult classes, community education, cooking sessions, and Title I school training. The Vendor Mentorship program assists 10 vendors per year from underserved communities with business growth through mentorship, webinars, and marketing support. Additionally, the Urban Agriculture program helps community members in food deserts set up their gardens and potentially become urban farmers, with some participants becoming market vendors.

Food Access LA connects with vendors in a variety of ways, including through other vendors, vendor recruitment at other markets, farmers market association board postings, and social media. Most vendors approach Food Access LA in person at a market or reach out via email. When a vendor expresses interest, they apply through Food Access LA's Manage My Market platform (<https://foodaccessla.org/vendors>). Food Access LA then conducts an interview and taste test, and introduces them to the markets where they think the vendor will be the best fit. Currently, Food Access LA has not utilized the Business Source Centers to source vendors. However, they are interested in establishing better communication with these centers to help source vendors and provide avenues for their vendors to obtain technical assistance.

Food Access LA is in urgent need of working capital. Without immediate funding, they risk closing two markets in South LA by the end of September 2024 after operating in this community for 16 and 20 years. With the prospect of a capital infusion from NMTC financing, they have postponed these closures. These markets were never profitable, but they are experiencing additional challenges more recently. According to the sponsor, the Crenshaw location had to move from its prior mall location due to safety concerns and has struggled to achieve sustainable attendance at its new location, despite its marketing efforts. The challenges at the new Crenshaw location also include a slight issue with the proximity of the parking according to its customers. Additionally, the Watts / Willowbrook location closed

during the pandemic and just reopened in November 2023, which required a significant amount of the sponsor's resources. They are working to get attendance at this market back to pre-pandemic levels. The sponsor has also noted that its vendors have faced their own challenges through the pandemic, and as a result have made necessary cuts to staff and reduced the number of farmers markets that they operate at, which often results in them leaving the smaller South LA farmers markets.

Food Access LA seeks \$12.5 million in NMTC Allocation to avoid these closures, ensure operational sustainability for at least four years, expand operations, enhance their EBT match program, and grow their educational and vendor support initiatives. Ms. Paige has also reached out to Genesis LA, which has expressed interest in the Food Access LA project and has preliminarily advised that it can provide \$6.5 million of NMTC allocation within an expedited closing timeframe.

RISKS AND MITIGANTS

Working Capital Financing

The Food Access LA transaction is not for real estate improvements but rather is for working capital financing. LADF does not have an extensive history investing its NMTC allocation into operating businesses for working capital or any non-real estate purposes. For the Jessie Lord Bakery transaction, LADF's NMTC allocation funded equipment upgrades in a manufacturing facility. Aside from this transaction, LADF has funded small portions of working capital in a few of its other transactions. If LADF invested in the Food Access LA transaction, it would be LADF's first transaction in which its funding was utilized solely for working capital.

Although LADF has not yet done a true working capital QLICI, this type of financing is not uncommon within the NMTC industry. According to the CDFI Fund NMTC Public Data Release¹: 2003-2022 Summary Report, innovative investments, including non-real estate activities such as working capital, inventory, or equipment purchases, constitute a significant portion of NMTC financing. Specifically, from 2003 to 2022, 25.7% of Qualified Low-Income Community Investments (QLICIs) were directed towards non-real estate activities. In FY 2022 alone, 24.4% of QLICIs were allocated to such investments. Additionally, LADF staff received feedback on the topic from one of the NMTC Investors that it has closed several deals with, US Bank, which stated the following:

"About 25% of the deals that we do [has] some component of [working capital]. From an underwriting standpoint, they are easier to do. They lead to a faster close, require less due diligence and have less hiccups. They also free up money for the project and offer more flexibility so the funds can be deployed to fill the greatest need. Working capital deals are a well-established industry practice. Any of the attorneys that we have worked with will have experience with the structure. Ultimately, working capital deals are a great way to allow an organization to increase their scale and impact."

LADF staff have reached out to US Bank and JPMorgan Chase Bank, two of NMTC's major investors in southern California, to obtain additional information associated with making 100% working capital loans utilizing NMTCs. Representatives of both banks noted to avoid structuring an NMTC investment into working capital on a complete reimbursement basis. While it does not create any compliance issues, for CDEs and investors it may diminish the ability to claim increased community impacts from the NMTC investment. Best practices in the industry to address this concern is to structure the working capital loan as a partial reimbursement and partial forward spend after closing.

US Bank has significant experience investing in NMTC projects either seeking working capital for a portion of their budgets or only for working capital. They have completed numerous transactions that are 100% working capital, including five this year, three of which are in California. These sponsors

¹ https://www.cdfifund.gov/sites/cdfi/files/2024-06/2024_NMTC_Public_Data_Release_Summary_FY-2003-FY_2022_approved_final.pdf (reference made to Page 21)

include food banks, healthcare providers, and social service providers. Costs in these deals include both reimbursements and forward spending.

Going Concern of Business Operations and QALICB Status

The proposed NMTC is projected to sustain the sponsor’s operations for at least four years. However, NMTC compliance requires a seven-year investment period. While Food Access LA aims to achieve long-term sustainability through market growth, strong fundraising, and strategic partnerships, there is a risk that these goals may not be realized within the compliance period.

For purposes of the proposed NMTC transaction, Food Access LA will set up a portion of its business (“POB”) that will only include 5 of its 8 farmers market locations and its headquarter office space (*all of which are located in census tracts eligible for NMTCs and qualify under severe distress criteria*). Only one of the 5 included farmers market locations is profitable and has historically supported the other locations. According to LADF legal counsel, as long as one of the locations that is allocated to the POB maintains operations within a qualifying census tract during the seven-year NMTC compliance period, LADF will satisfy its compliance requirements.

LADF 2022 NMTC Allocation Application Compliance

In its 2022 round NMTC allocation application, LADF projected that 20% of its allocation would be invested in non-real estate activities. Currently, \$8 million of LADF’s 2022 allocation is invested in non-real estate activities, which is related to its investment in the Jessie Lord Bakery transaction and accounts for 16% of LADF’s \$50 million 2022 allocation award. LADF staff consulted on this matter with Irene Zawadiwsky from Ariel Ventures, NMTC and compliance consultant for LADF, who indicated that while it is acceptable to exceed the 20% that LADF originally projected in its allocation application, it would not be advisable to surpass 50% of the allocation award. This ensures adherence to the general commitment made in the application.

In combination with the previously funded Jessie Lord Bakery, a \$6.0 million QLICI for the Food Access LA project would equate to 28% of LADF’s 2022 allocation invested in non-real estate activities. If LADF funded the full \$12.5 million NMTC allocation requested by Food Access LA, combined with Jessie Lord Bakery, this would equate to 41% of LADF’s 2022 allocation invested in non-real estate activities.

LADF APPLICATION STATUS & CURRENT PIPELINE PROJECTS

Other considerations for the LADF Governing Board is positioning LADF most favorably for the next round’s NMTC allocation application and possible impacts from reduced allocation available for LADF’s other pipeline, projects LADF submitted the 2023 allocation application with a request for \$67 million, and awards are expected to be announced by the CDFI Fund in late summer or early fall 2024. An additional award would reduce impacts to other pipeline projects,

LADF has \$35 million NMTC allocation remaining from the 2022 round. The projected closing timeline for current active pipeline projects is as follows:

Project Name	Requested Amt.	Proposed Distribution of 2022 Allocation assuming NO Additional Allocation Awards	Partner CDE	Projected Closing Timeline
NLSLA Justice Center	\$15.0 million	\$14.5 million	Genesis LA – \$15.0 million <i>(may consider a larger allocation if needed)</i>	Mid 2025
Wadsworth Chapel	\$15.0 million	\$14.5 million	Partner CDE(s) is TBD <i>(project seeking \$32 million total allocation)</i>	Q2 2025

Food Access LA	\$12.5 million	\$6.0 million	Genesis LA – \$6.5 million	Ready to close
Total	\$42.5 million	\$35.0 million		

Fully deploying LADF's 2022 allocation prior to the threshold deadline for the 2024-25 round application (*presumably around Mar-Apr 2025*) could improve LADF's prospects in the upcoming double round. Thus, closing all of the projects in LADF's current pipeline (NLSLA Justice Center, Wadsworth Chapel, and Food Access LA) prior to the threshold deadline would achieve full deployment of the allocation, but several factors may yet extend the anticipated closing timeline for each of those transactions. Investing \$6 million allocation into the Food Access LA project would assist LADF in further utilizing its 2022 round allocation in anticipation of the next application round, but it would mean that without a new award LADF would not be able to provide allocation to pipeline projects with later anticipated closing timelines, such as Reseda Theater.

ATTACHMENTS

[Exhibit A: Pipeline Project Profiles](#)

- Food Access LA
- NLSLA Justice Center
- Wadsworth Chapel

Tab 4

**Los Angeles Development Fund
Summary Budget (In Full Dollars)**

Fiscal Years Ending 12/31/23 and 12/31/24

Budget Items	LADF	Audited	Variance	Unaudited	Proposed	Annual Budget Projections							
	Budget	P & L		P & L	BUDGET	2025	2026	2027	2028	2029	2030	2031	
	2023			2024									
	Annual Totals			01/01 - 06/30	Annual								
Revenues													
NMTC Placement Fees	1	440,000	440,000	-	601,333	601,333	700,000	-	-	-	-	-	-
NMTC SubCDE Asset Mgmt Fees	1	1,179,330	1,255,716	76,386	698,235	1,362,994	1,327,320	1,306,875	975,125	842,458	709,875	573,000	300,125
NMTC Expense Reimbursements		222,000	153,769	(68,231)	55,317	250,000	267,000	215,000	215,000	148,000	135,000	116,000	97,000
Principal Repayments (<i>Loan to Thai CDC</i>)		57,041	-	(57,041)	-	57,613	58,191	58,775	50,260	-	-	-	-
Other Income	2	2,825	91,781	88,956	47,120	91,133	90,655	90,070	89,200	89,200	89,200	89,200	89,200
TOTAL REVENUES		1,901,196	1,941,266	40,071	1,402,005	2,363,073	2,443,166	1,670,720	1,329,585	1,079,658	934,075	778,200	486,325
Expenses													
NMTC Reimbursable Expenses (<i>SubCDE audit, tax, other</i>)		222,000	153,769	(68,231)	55,317	250,000	267,000	215,000	215,000	148,000	135,000	116,000	97,000
Third-Party Consultants - Compliance, Acctg., NMTC App., etc		345,525	358,765	13,240	67,750	331,800	383,485	375,542	316,835	284,466	255,535	201,259	186,462
Payroll Expenses (inc payroll tax)		457,368	463,138	5,770	294,917	597,976	600,174	600,170	600,170	600,170	600,170	600,170	600,170
Insurance - D&O and Workers Compensation		31,720	30,077	(1,643)	1,419	31,720	32,670	33,650	34,660	35,700	36,780	37,880	39,010
Other Administrative Expense		15,520	11,085	(4,435)	15,850	26,032	24,560	21,090	21,120	21,150	21,180	21,220	21,260
TOTAL EXPENSES		1,072,133	1,016,835	(55,299)	435,253	1,237,528	1,307,890	1,245,452	1,187,785	1,089,486	1,048,665	976,529	943,902
Budget Surplus / (Deficit)		829,062	924,432	95,369	966,753	1,125,545	1,135,276	425,268	141,800	(9,827)	(114,590)	(198,329)	(457,577)
		<i>Actual</i>			<i>Actual</i>	<i>Projected</i>							
Cash as of January 1st		\$5,162,770			\$6,087,202	\$6,087,202							
<i>JEDI Zone Microloan Fund - Cash Flows</i>	3					\$0							
Cash as of December 31st		\$6,087,202			\$7,053,955	\$7,212,747	\$7,243,023	\$7,726,376	\$8,046,056	\$8,230,569	\$8,328,114	\$8,243,145	\$7,785,568
		<i>As of 12/31/23</i>			<i>As of 6/30/2024</i>	<i>As of 12/31/24</i>							

¹ Projections for Placement Fees and SubCDE Asset Management Fees assume that LADF is not awarded additional NMTC Allocation and that the remaining \$35mm of 2022 Allocation is invested as follows: \$20mm in Q1 2025 and \$15mm in Q2 2025.

² LADF cash reserves produced significantly higher interest income due to higher interest rates on LADF's savings account.

³ Projected cash flows for the JEDI Zone Microloan Fund are detailed in a separate schedule attached hereto.

⁴ LADF's cash balance as of 6/30/2024 includes fee amounts accrued and paid to LADF's sub-CDEs but not yet transferred to LADF.

Los Angeles Development Fund
JEDI Zone Microloan Fund
Projected Cash Flows
Years 2024 through 2030

Year	CASH FLOW TOTAL	Microloans¹ Funded	<i>Scheduled</i>		LADF⁴ 1% Int.	LADF Legal Exp.	LADF⁵ T.A. Exp.
			Amortizing² Payments	Default Rate³ (5%)			
2024	0	0	0	0	0	0	0
2025	(1,105,000)	(1,000,000)	0	0	0	(30,000)	(75,000)
2026	58,085	0	110,300	(5,515)	3,300	0	(50,000)
2027	177,880	0	232,400	(11,620)	7,100	0	(50,000)
2028	194,340	0	249,200	(12,460)	7,600	0	(50,000)
2029	212,135	0	267,300	(13,365)	8,200	0	(50,000)
2030	113,360	0	140,800	(7,040)	4,600	0	(25,000)
TOTALS	(349,200)	(1,000,000)	1,000,000	(50,000)	30,800	(30,000)	(300,000)

¹ Amounts for microloans funded include closing fees charged by the selected 3rd-party administrator, which will be paid by the fund at closing, and repaid by Borrowers through amortizing loan payments in Years 2-5 of their loans.

² This projected cash flow schedule assumes that loan principal returned to LADF through amortizing payments is not re-deployed into funding new microloans.

³ LADF assumes that its microloan fund will realize a default rate of 5%.

⁴ LADF assumes it will charge a 1% rate on all microloans funded, which will be included in the program interest rate.

⁵ LADF estimates that legal fees to produce standard legal documents for the microloan program will total \$30,000 and that technical assistance fees charged by the selected 3rd-party administrator will total \$300,000 for the initial 6-year term of the Fund.