

LADF

LOS ANGELES DEVELOPMENT FUND

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

The Los Angeles Development Fund
and
LADF Management, Inc.

February 20, 2019

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

FEBRUARY 20, 2019

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

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.**

**CITY HALL, ROOM 1050
200 N. SPRING STREET, LOS ANGELES, CA
Wednesday, February 20, 2019 | 2:30pm – 4:00pm**

	AGENDA ITEM	PRESENTER	TAB
	Welcome and Call to Order	Rushmore Cervantes	
	Roll Call	Sandra Rahimi	
1	Discussion Items	Sandra Rahimi	
	a. Pipeline Update		Tab 2
	b. Social Media Outcomes		
2	Action Items	Sandra Rahimi	
	a. Request for Authorization of LADF staff to re-issue a Letter of Interest to the Goodwill of Southern California for providing up to \$9.25 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if by June 28, 2019 a) the project has not provided commitment letters from all other financing sources and b) project has not made substantial progress on all other LADF readiness criteria.		
	b. Request for Authorization of LADF staff to re-issue a Letter of Interest to the Vallarta Van Nuys for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if by June 28, 2019 a) the project has not provided commitment letters from all other financing sources and b) project has not made substantial progress on all other LADF readiness criteria.		
	c. Request for Authorization of LADF staff to re-issue a Letter of Interest to The Brine Project for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if by June 28, 2019 a) the project has not provided commitment letters from all other financing sources and b) project has not made substantial progress on all other LADF readiness criteria.		
	d. Request for Authorization of LADF staff to issue a Letter of Interest to the Children’s Institute – Watts Campus for providing up to \$10 Million of New Markets Tax Credit Allocation. LADF will have option to rescind the Letter of Interest if by June 28, 2019 a) the project has not provided commitment letters from all other financing sources and b) project has not made substantial progress on all other LADF readiness criteria.		
	e. Request for Authorization to extend Purchase Order contract with Karen Brooks for Social Media Consulting Services through March 31, 2020 (<i>first of two 1-year extension options</i>).		
	Request for Future Agenda Items	Rushmore Cervantes	
	Next Meeting Date and Time of Governing Board	Rushmore Cervantes	
	• TBD		
	Public Comment	Rushmore Cervantes	
	Adjournment	Rushmore Cervantes	

The LADF’s Board Meetings are open to the public. Accommodations such as sign language interpretation and translation services can be provided upon 72 hours notice. Contact LADF @ (213) 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

LADF

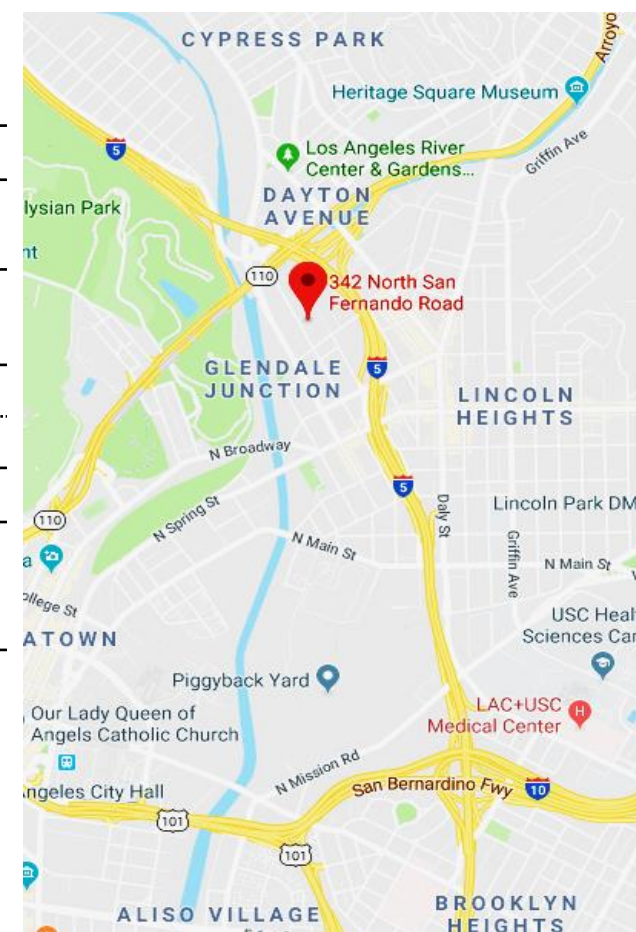
LOS ANGELES DEVELOPMENT FUND

PIPELINE PROFILES

**LADF Board Meeting
February 20, 2019**

GOODWILL OF SOUTHERN CA. OFFICE

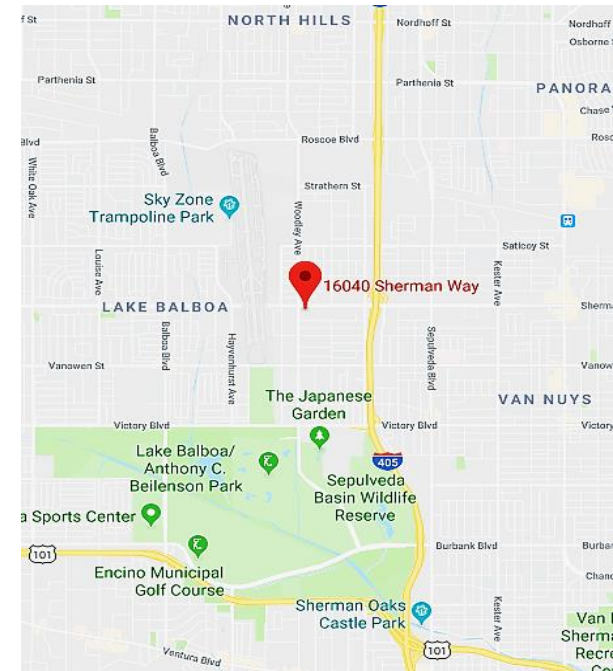
Developer:	Goodwill of Southern California ("GSC")		
Project Type:	Office / Mixed-Use, New Construction		
Description:	<p>Project includes the new construction of a 80,000 SF facility with 3 principal elements:</p> <ul style="list-style-type: none"> • New construction of a 60,000 SF GSC building, which will include 30,000 SF of office space for contract implementation. This office space will house GSC's Veterans Program, Janitorial Training Program, and Job Center • Creation of new 4,500 SF Goodwill Café • Creation of a new 15,000 SF Goodwill retail store 		
Location:	342 N San Fernando Rd, Los Angeles, CA 90031 (CD 1)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 32.5% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 49.2% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 39,000,000	Total QEI: \$ 39,000,000 LADF QEI: \$ 9,250,000
Potential Sources of Funds:	Term Loan:	\$ 26,000,000	Lev. Loan Eligible
	NMTC Equity (\$0.85 / NMTC):	\$ 13,000,000	
Projected Closing:	November 2019		
Current Status:	<ul style="list-style-type: none"> ➤ Sponsor controls the site ➤ Entitlements are ongoing, expected Fall 2019 ➤ Construction expected to commence in Q4 2019 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 100 Permanent – TBD Construction ➤ 50% expansion of existing GSC job training capacity ➤ Create a digital learning academy ➤ Establish a new homeless services center ➤ Café will train 300 people per annum and prepare them for careers in food service. Café will make food services available to the local community for the first time. ➤ Goodwill retail store will employ individuals with special needs 		



VALLARTA VAN NUYS SUPERMARKET

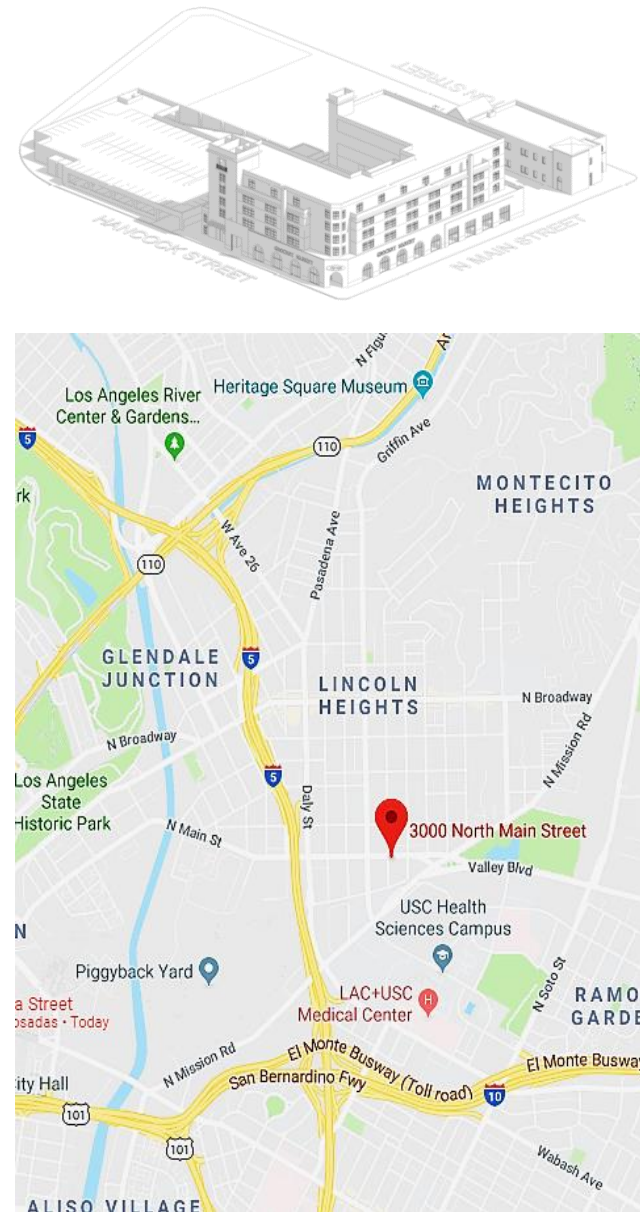


Developer:	Vallarta Supermarket									
Project Type:	Full-Service Grocery Store, Substantial Rehab									
Description:	Project includes the substantial rehab of a vacant 41,000 SF Toys R Us property to create a full service, minority-owned grocery store in a USDA designated food desert. On average, 42% of products sold by Vallarta Supermarkets qualify as fresh/healthy options. Vallarta estimates that 80% of the 235 permanent FTEs (182 full time & 68 part time @ 27 hours/week) will be filled by bilingual low-income residents of the surrounding community. NMTC will compensate for the high cost of land purchase and the rising Los Angeles minimum wage and allow Vallarta to maintain grocery prices low and affordable to the surrounding low-income community.									
Location:	16040 Sherman Way, Van Nuys, CA 91406 (CD 6)									
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 30.2% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 44.7% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ USDA-Designated Food Desert 									
Estimated TDC & NMTC Allocation:	<table border="0"> <tr> <td>Budget:</td> <td>\$30,500,000</td> <td>Total QEI:</td> <td>\$ 30,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table>	Budget:	\$30,500,000	Total QEI:	\$ 30,000,000			LADF QEI:	\$ 10,000,000	
Budget:	\$30,500,000	Total QEI:	\$ 30,000,000							
		LADF QEI:	\$ 10,000,000							
Potential Sources of Funds:	<table border="0"> <tr> <td>Sponsor Equity:</td> <td>\$ 2,100,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>Chase Source Loan:</td> <td>\$ 20,000,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.82 / NMTC):</td> <td>\$ 8,400,000</td> <td>Net NMTC Equity</td> </tr> </table>	Sponsor Equity:	\$ 2,100,000	Lev. Loan Eligible	Chase Source Loan:	\$ 20,000,000	Lev. Loan Eligible	NMTC Equity (\$0.82 / NMTC):	\$ 8,400,000	Net NMTC Equity
Sponsor Equity:	\$ 2,100,000	Lev. Loan Eligible								
Chase Source Loan:	\$ 20,000,000	Lev. Loan Eligible								
NMTC Equity (\$0.82 / NMTC):	\$ 8,400,000	Net NMTC Equity								
Projected Closing:	October 2019									
Current Status:	➤ Awaiting announcement of next round of NMTC awards									
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 235 Permanent – 30 Construction ➤ Full service grocery in a USDA Food Desert ➤ Minority-owned QALICB 									



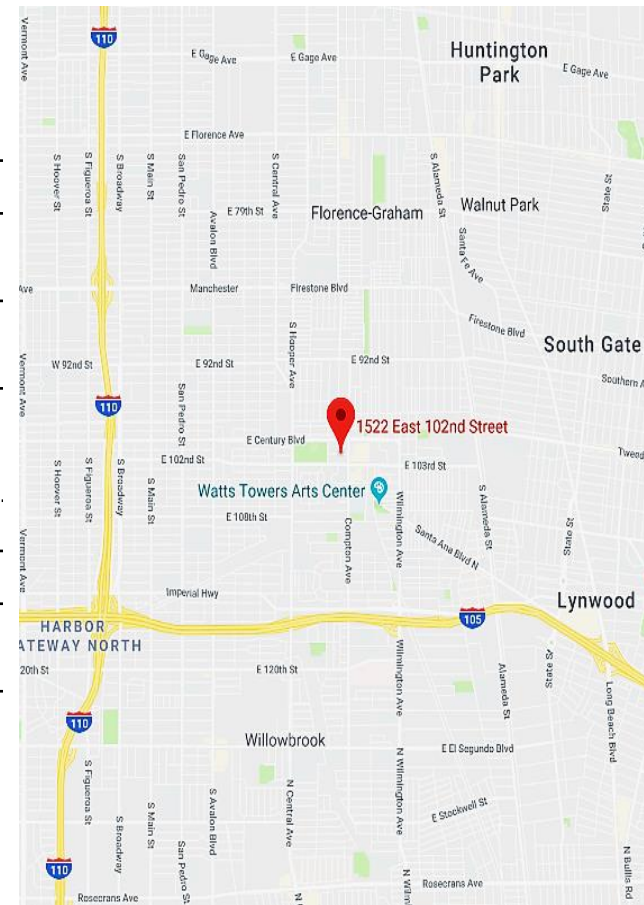
THE BRINE PROJECT

Developer:	Decro Corporation		
Project Type:	Mixed-Use, Primarily New Construction		
Description:	<p>Construction of a new mixed-use project on the site of a former pickle factory in the Lincoln Heights neighborhood of Los Angeles. The project will include the following uses: (1) 30,000 SF grocery store & community retail, providing increased access to fresh, healthy foods in a USDA-Designated Food Desert; (2) 11,000 SF health clinic operated by Violence Intervention Program (VIP), a nonprofit organization founded in 1984 to provide comprehensive medical, forensic, mental health, advocacy and supportive services to victims of child abuse, neglect, sexual assault, domestic violence and elder abuse; and (3) 3,300 SF pediatric mental health clinic, also operated by VIP, to provide quality therapy services for children who are victims of abuse, many of whom are from the foster care system. Additionally, project adds 97 affordable housing units (<i>NOT financed by NMTCs</i>), of which 49 will be permanent supportive housing units for seniors and transitional-aged youth</p>		
Location:	3000 N. Main Street, Los Angeles, CA 90031 (CD 15)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 36.6% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 42.4% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 27,800,000	Total QEI: \$ 27,800,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	CDFI Loan:	\$ 11,500,000	Lev. Loan Eligible
	Sponsor Equity:	\$ 1,000,000	Lev. Loan Eligible
	Cap. Campaign/Equity Partner:	\$ 8,400,000	Lev. Loan Eligible
	Net NMTC Equity (<i>after cost</i>):	\$ 6,900,000	
Projected Closing:	November 2019		
Current Status:	<ul style="list-style-type: none"> ➤ Design development is ongoing ➤ Plans expected to be submitted for plan check by March 2019 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 55 Permanent – 50 Construction ➤ Grocery store in a USDA-designated Food Desert ➤ Health center in a Medically Underserved Area 		



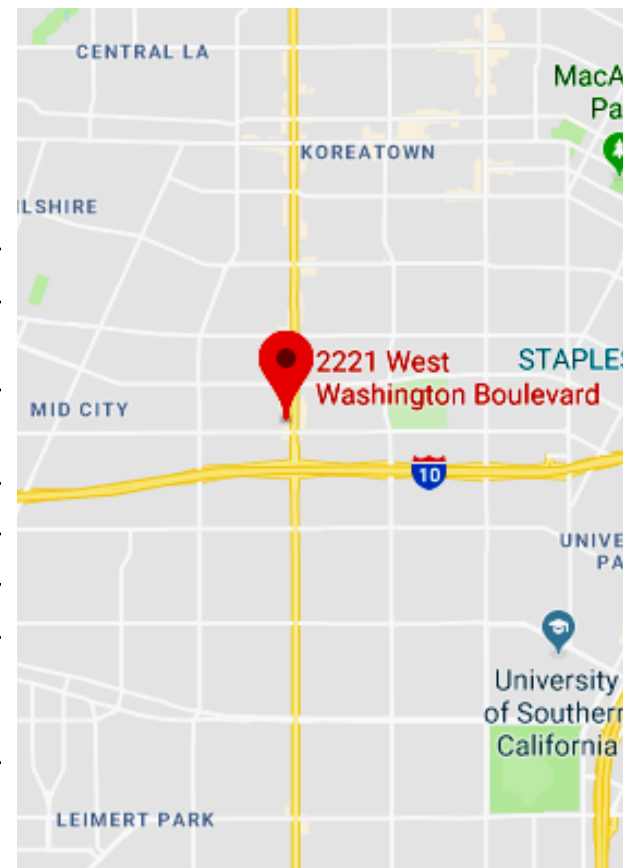
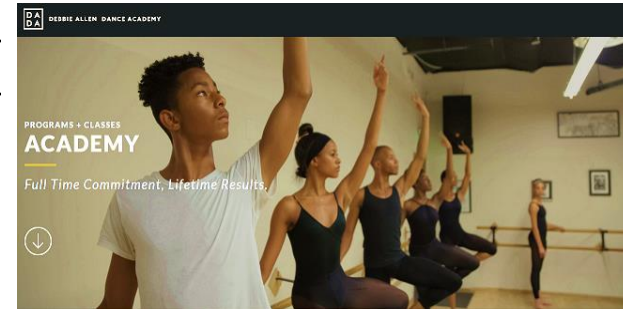
CHILDREN'S INSTITUTE (WATTS CAMPUS)

Developer:	Children's Institute, Inc. (CII)		
Project Type:	Community Facility, New Construction and Substantial Rehab		
Description:	<p>Construction of a new 20,000 SF state-of-the-art community facility in Watts for the Children's Institute, providing holistic, integrated services for at-risk children, youth and families. CII's new facility will serve approximately 2,000 low-income individuals annually, with programs focused on mental health, early care and education, youth development, and family support services.</p> <p>The project also includes renovation of two existing buildings on the property, providing 6,000 SF of CII and community meeting space, and 14,000 SF of leasable space for nonprofits and community-serving businesses. A portion of the space will be leased to a tenant that provides affordable, fresh, healthy foods.</p>		
Location:	1522 East 102nd St., Los Angeles, CA 90002 (CD 15)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 37.3% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 47.9% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 18,000,000	Total QEI: \$ 18,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Total of Capital Campaign, City Prop. K Grant, and Sponsor cash-on-hand:	\$ 12,400,000	Lev. Loan Eligible
	NMTC Equity (\$0.80/NMTC):	\$ 5,600,000	
Projected Closing:	Q4 2019		
Current Status:	<ul style="list-style-type: none"> ➤ CII Board has retained Frank Gehry as pro-bono design architect ➤ Capital campaign is in process – \$11mm committed 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: TBD Permanent – TBD Construction ➤ Project will serve 2,000 low-income individuals per year ➤ Provide space for community meetings and nonprofit tenants ➤ Provide affordable, fresh, health foods in a USDA Food Desert ➤ Sponsor's track record shows that 90% of the 24,000 individuals it serves annually would qualify as Low-Income 		



DEBBIE ALLEN DANCE ACADEMY

Developer:	Debbie Allen Dance Academy ("DADA")		
Project Type:	Community Facility, Substantial Rehab		
Description:	<p>Project includes the rehabilitation of a 24,000 SF facility for DADA's dance instruction and programming. DADA is a non-profit organization that offers a comprehensive dance curriculum to students ages four and up. DADA has an enrollment of 800+ children annually and serves 15,000+ community members annually through its community outreach programs. The project will allow DADA to relocate from its existing 8,000 SF facility to this 24,000 SF facility, allowing it to have more studios and accommodate twice the number of students. The project also highlights a 200 seat performance center which will reduce costs from rehearsal and performance space rentals. The project will also accommodate an enhanced production studio that will house additional classes and an internship program for the following: lighting design, music composition, sound design, tech theater, hair and make-up design, ariel dance, play and screenwriting, and academic tutoring.</p>		
Location:	2221-2231 W. Washington Blvd, Los Angeles, CA 90018 (CD 10)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 34.3% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 46.8% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 19,000,000	Total QEI: \$ 19,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Capital Campaign:	\$ 12,700,000	Lev. Loan Eligible
	NMTC Equity (\$0.85 / NMTC):	\$ 6,300,000	
Projected Closing:	March 2020		
Current Status:	<ul style="list-style-type: none"> ➤ Sponsor was gifted the site ➤ Entitlements are ongoing, expected Q4 2019 ➤ Construction expected to commence in Q1 2020 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 35 Permanent – 75 Construction ➤ Increase enrollment capacity from 800 to 1,600 students annually ➤ Sponsor is a minority, women-owned business 		



HIGH TECH LOS ANGELES MIDDLE SCHOOL

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

