

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.**

March 24, 2025

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

March 24, 2024

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- 2** Materials regarding Approval of Minutes for Board Meeting(s):
 - December 12, 2024

- 3** Materials regarding Action Item A:
 - SoLa Crenshaw Center Investment Memo

Tab 1

AGENDA

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

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: 893 2951 3283
Monday, March 24, 2025 | 1:30-2:30 pm

| | AGENDA ITEM | PRESENTER | TAB |
|---|--|----------------|-------|
| | Welcome and Call to Order | Yolanda Chavez | |
| | Roll Call | Sandra Rahimi | |
| | Public Comment | Yolanda Chavez | |
| 1 | Approval of Minutes for Board Meeting(s) on: | Yolanda Chavez | |
| | a. December 12, 2024 | | Tab 2 |
| 2 | Discussion Items | | |
| | a. Pipeline Project Update | | Tab 3 |
| | b. CDFI Fund Update | | |
| 3 | Action Items | Sandra Rahimi | |
| | a. Request for Authorization for LADF President, or his or her delegate, to execute documents to effectuate a \$9,000,000 Sub-Allocation of New Markets Tax Credits for the SoLa Crenshaw Center Project | | Tab 4 |
| 4 | Future Agenda Items | | |
| | a. Final Term Approval for the JEDI Microloan Program | | |
| | b. LADF Budget for 2026 | | |
| | c. Employee Compensation Review | | |
| 5 | Next Meeting Date and Time of Governing Board | | |
| | a. TBD | | |
| | Public Comment | Yolanda Chavez | |
| | Adjournment | Yolanda Chavez | |

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 AND THE ADVISORY BOARD OF LADF AND LADF MANAGEMENT, INC.
Thursday December 12, 2024

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 **2:37am**.

ROLL CALL

The following Governing Board directors were present at the meeting:

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

A QUORUM WAS PRESENT

The following Advisory Board directors were present at the meeting:

- Director Williams (Chairperson)
- Director Volpert
- Director Albert

A QUORUM WAS PRESENT

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

a. **November 13nd, 2024**

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

• **DISCUSSION ITEMS:**

a. **Project Presentation: Sola Crenshaw Lofts**

- Matthew Reneau, the project representative, along with CEO Martin Muoto presented the project and answered the questions raised by both the governing and advisory board, and the advisory board supported the project.

b. **Project Presentation: Immigrant Welcome and Empowerment Center**

- Yanderi Montano, the project representative, along with Executive director Angelica Salas presented the project and answered the questions raised by both the governing and advisory board, and the advisory board supported the project.

ACTION ITEMS.

a. **Request for Authorization for LADF President, or his or her delegate, to execute documents to effectuate a \$6,000,000 Sub-Allocation of New Markets Tax Credits for the Food Access Los Angeles Project**

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

b. **Request for authorization for LADF staff to issue a Letter of Interest (LOI) to the Sola Crenshaw Lofts project for providing up to \$9 million in New Markets Tax Credit Allocation. LADF reserves the right to rescind the Letter of Interest if the project does not demonstrate the capability to close by March 31, 2025.**

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

- c. **Request for authorization for LADF staff to issue a Letter of Interest (LOI) to the Immigrant Welcome and Empowerment Center project for providing up to \$9 million in New Markets Tax Credit Allocation. LADF reserves the right to rescind the Letter of Interest if the project fails to demonstrate evidence of closing by March 31, 2025.**

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

REQUEST FOR FUTURE AGENDA ITEMS

- JEDI Microloan Program Final Term Approval

PUBLIC COMMENT

- None.

ADJOURNMENT

- Meeting was adjourned at **3:37 pm**.

Tab 3

LADF

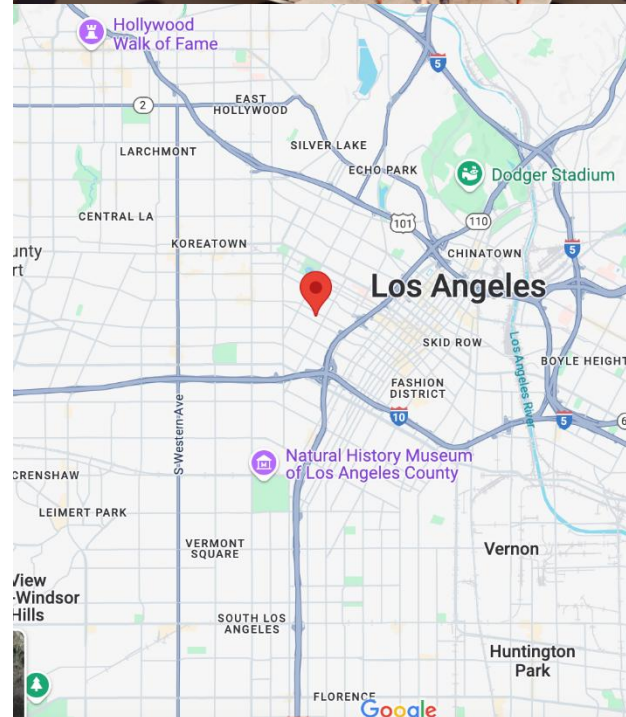
LOS ANGELES DEVELOPMENT FUND

PIPELINE PROJECT PRESENTATION

**LADF Board Meeting
March 2025**

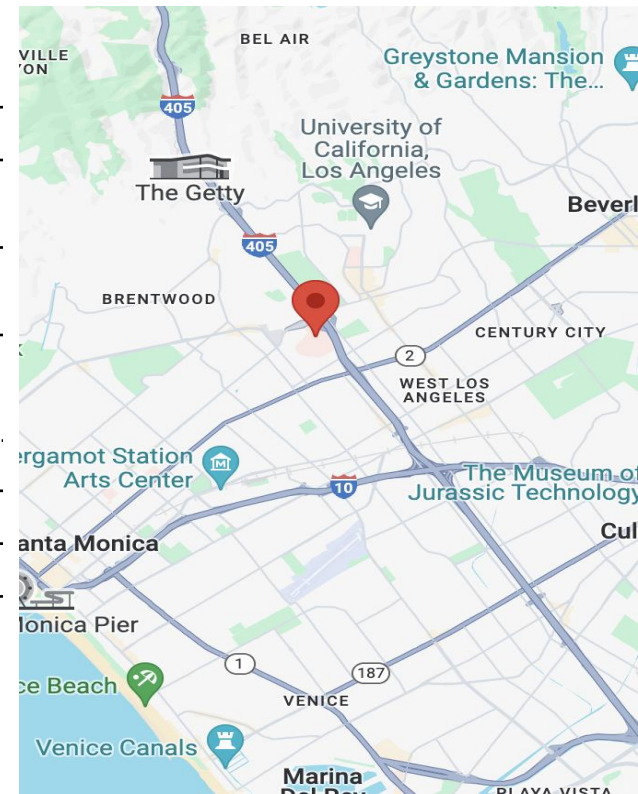
IMMIGRANT WELCOME AND EMPOWERMENT CENTER

| | | | | | | | | | | | | | |
|--|--|---|---------------|---------------------------|---|---------------|---------------------------|--|---------------|----------------------|----------------------------|---------------|--|
| Developer: | Coalition for Humane Immigrant Rights (CHIRLA) | | | | | | | | | | | | |
| Project Type: | Renovation; Community Facility | | | | | | | | | | | | |
| Description: | CHIRLA (Coalition for Humane Immigrant Rights) will utilize New Markets Tax Credits to rehabilitate an abandoned six-story, 83,609 SF 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 8,000 individuals . Once complete, the center will serve 33,900 additional people , with over 95% being low-income 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. | | | | | | | | | | | | |
| Location: | 1730 W. Olympic Boulevard, Los Angeles, CA (CD1) | | | | | | | | | | | | |
| Census Tract Eligibility (2016-20): | <ul style="list-style-type: none"> ➤ 34.0% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 35.8% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ 1.94x National Avg. Unemployment (<i>greater than 1.5x</i>) | | | | | | | | | | | | |
| Estimated TDC & NMTC Allocation: | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$ 83,500,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 57,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 9,000,000</td> </tr> </table> | Budget: | \$ 83,500,000 | Total QEI: | \$ 57,000,000 | | | LADF QEI: | \$ 9,000,000 | | | | |
| Budget: | \$ 83,500,000 | Total QEI: | \$ 57,000,000 | | | | | | | | | | |
| | | LADF QEI: | \$ 9,000,000 | | | | | | | | | | |
| Potential Sources of Funds: | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Bank or CDFI Loan (<i>no commitment</i>):</td> <td style="width: 20%;">\$ 15,000,000</td> <td style="width: 40%;">Lev. Loan Eligible</td> </tr> <tr> <td>Sponsor Equity/Grants (<i>secured</i>):</td> <td>\$ 26,100,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>Sponsor Equity/Grants (<i>to-be-raised</i>):</td> <td>\$ 24,600,000</td> <td>Not Leveraged</td> </tr> <tr> <td>NMTC Equity (\$0.80/NMTC):</td> <td>\$ 17,800,000</td> <td></td> </tr> </table> | Bank or CDFI Loan (<i>no commitment</i>): | \$ 15,000,000 | Lev. Loan Eligible | Sponsor Equity/Grants (<i>secured</i>): | \$ 26,100,000 | Lev. Loan Eligible | Sponsor Equity/Grants (<i>to-be-raised</i>): | \$ 24,600,000 | Not Leveraged | NMTC Equity (\$0.80/NMTC): | \$ 17,800,000 | |
| Bank or CDFI Loan (<i>no commitment</i>): | \$ 15,000,000 | Lev. Loan Eligible | | | | | | | | | | | |
| Sponsor Equity/Grants (<i>secured</i>): | \$ 26,100,000 | Lev. Loan Eligible | | | | | | | | | | | |
| Sponsor Equity/Grants (<i>to-be-raised</i>): | \$ 24,600,000 | Not Leveraged | | | | | | | | | | | |
| NMTC Equity (\$0.80/NMTC): | \$ 17,800,000 | | | | | | | | | | | | |
| Projected Closing: | Q2-Q3 2025 | | | | | | | | | | | | |
| Current Status: | <ul style="list-style-type: none"> ➤ CHIRLA has selected US Bank as their investor. ➤ Feb/March: CHIRLA finalizes grant funding; Mid-April: Initiate legal closing call; June: Target closing | | | | | | | | | | | | |
| Community Benefits/Impact: | <ul style="list-style-type: none"> ➤ Job Creation: 200 Permanent – 300 Construction ➤ Serve 33,900 additional people, with over 95% being low-income persons of color. Services include free legal aid, immigrant rights hub, and 10 other programs. ➤ The community clinic will provide healthcare to 8,000 individuals ➤ CHIRLA and 2 tenants (community café & health clinic) are minority-owned or controlled | | | | | | | | | | | | |



WADSWORTH CHAPEL

| | | | |
|---|--|----------------------------|---------------------------|
| Developer: | U.S. VETS | | |
| Project Type: | Renovation; Mental and Spiritual Wellness Center for veterans. | | |
| Description: | <p>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.</p> | | |
| 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: | Budget: \$ 32 million | Total QEI: \$ 28.5 million | LADF QEI: \$ 14.5 million |
| Potential Sources of Funds: | 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: | TBD | | |
| Current Status: | Project is on the Historic Register. CA | | |
| 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: | New Construction; Sponsor's HQ Office & Justice Center | | | | | | | | | |
| Description: | 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. | | | | | | | | | |
| 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 (<i>greater than 20% and 30%</i>) ➤ 49.2% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ 1.63x National Avg. Unemployment (<i>greater than 1.5x</i>) | | | | | | | | | |
| Estimated TDC & NMTC Allocation: | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$ 40,500,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 36,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 14,500,000</td> </tr> </table> | Budget: | \$ 40,500,000 | Total QEI: | \$ 36,000,000 | | | LADF QEI: | \$ 14,500,000 | |
| Budget: | \$ 40,500,000 | Total QEI: | \$ 36,000,000 | | | | | | | |
| | | LADF QEI: | \$ 14,500,000 | | | | | | | |
| Potential Sources of Funds: | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Public Funding Sources:</td> <td style="width: 20%;">\$ 12,000,000</td> <td style="width: 40%;">Lev. Loan Eligible</td> </tr> <tr> <td>Private Capital Campaign:</td> <td>\$ 17,250,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 11,250,000</td> <td></td> </tr> </table> | 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 | |
| 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: | TBD | | | | | | | | | |
| Current Status: | Project has been delayed until May 2025 at earliest. Genesis previously 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: | Renovation; 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 (grant):</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 (grant): | \$ 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 (grant): | \$ 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. | | | | | | | | | |

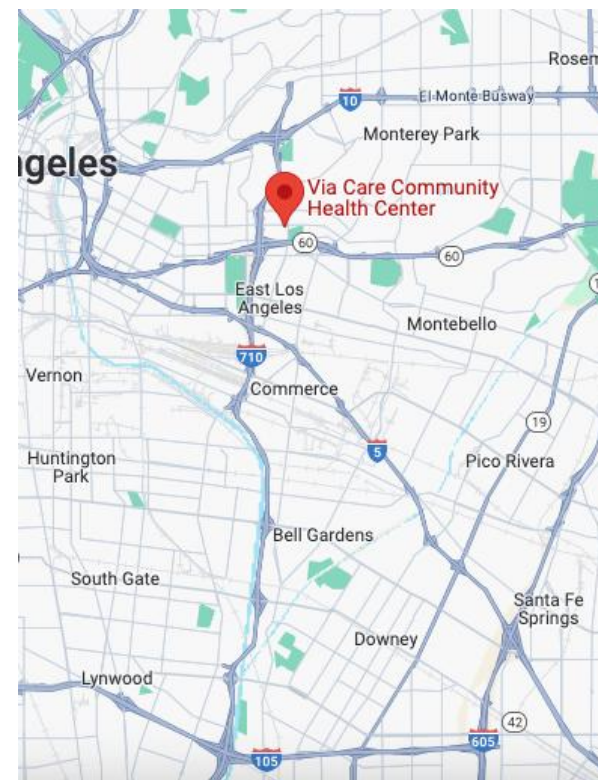


VIA CARE CESAR CHAVEZ HEALTH AND WELLNESS CAMPUS

| | | | | | | | | | |
|--|--|--|---------------|---------------------------|------------------------------|---------------|--|-----------|---------------|
| 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 (90% LIPs served currently) | | | | | | | | |
| 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: right;">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: | The sponsor has acquired the site. Permits expected by March 2025. | | | | | | | | |
| Community Benefits/Impact: | <ul style="list-style-type: none"> ➢ Jobs: 78 Permanent (65 created / 13 ret.) – 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. | | | | | | | | |

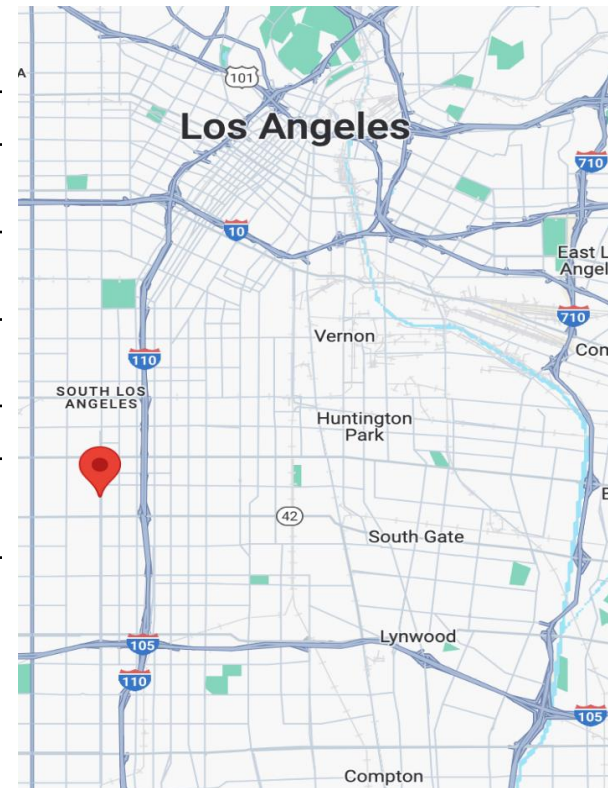
Via Care

BUILDING FOR THE FUTURE
The Campaign for Via Care



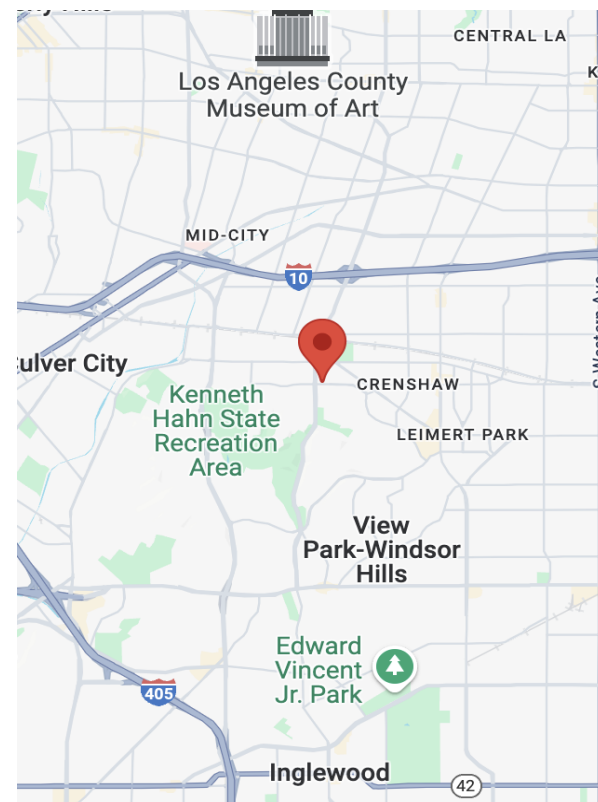
CENTER FOR COMMUNITY ORGANIZING

| | | | |
|---|---|-----------------------|------------------|
| Developer: | Community Coalition (CoCo) | | |
| Project Type: | New Construction; Community Facility | | |
| Description: | <p>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.</p> | | |
| 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: | 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: | TBD | | |
| Current Status: | 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> | | |



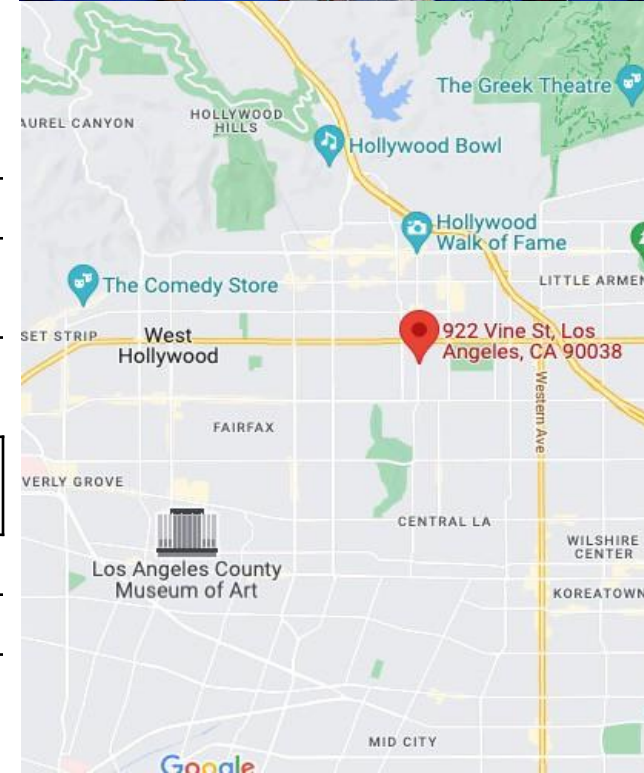
SOUTH LA HEALTHY FOOD / COSTCO

| | | | | | | | | | | |
|---|--|---------------------------|----------------|---------------------------|---------------|---------------|--|------------------------------|---------------|--|
| Developer: | Thrive Living | | | | | | | | | |
| Project Type: | New Construction – Full-Service Costco In an Affordable Housing Complex | | | | | | | | | |
| Description: | <p>This project involves the construction of a full-service Costco store with four floors of subterranean parking, providing residents with access to healthy foods in a USDA-designated Food Desert. Thrive Living is also developing a \$327 million, 800-unit housing complex above Costco, with 184 units 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 South LA.</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> | | | | | | | | | |
| Location: | 5035 Coliseum St. Los Angeles, CA 90016 (CD 10) | | | | | | | | | |
| Census Tract Eligibility (2016-20): | <ul style="list-style-type: none"> ➢ 27.0% Poverty Rate (<i>greater than 20%</i>) ➢ 44.0% of Metro/State Median Income (<i>less than 80% and 60%</i>) | | | | | | | | | |
| Estimated TDC & NMTC Allocation: | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$ 115,600,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 70,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table> | Budget: | \$ 115,600,000 | Total QEI: | \$ 70,000,000 | | | LADF QEI: | \$ 10,000,000 | |
| Budget: | \$ 115,600,000 | Total QEI: | \$ 70,000,000 | | | | | | | |
| | | LADF QEI: | \$ 10,000,000 | | | | | | | |
| Potential Sources of Funds: | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Sponsor Equity :</td> <td style="width: 20%;">\$ 26,070,000</td> <td style="width: 40%; text-align: right;">Lev. Loan Eligible</td> </tr> <tr> <td>Senior Debt:</td> <td>\$ 67,731,000</td> <td></td> </tr> <tr> <td>NMTC Equity (\$0.80 / NMTC):</td> <td>\$ 21,840,000</td> <td></td> </tr> </table> | Sponsor Equity : | \$ 26,070,000 | Lev. Loan Eligible | Senior Debt: | \$ 67,731,000 | | NMTC Equity (\$0.80 / NMTC): | \$ 21,840,000 | |
| Sponsor Equity : | \$ 26,070,000 | Lev. Loan Eligible | | | | | | | | |
| Senior Debt: | \$ 67,731,000 | | | | | | | | | |
| NMTC Equity (\$0.80 / NMTC): | \$ 21,840,000 | | | | | | | | | |
| Projected Closing: | Q2/Q3 2025 | | | | | | | | | |
| Current Status: | Sponsor is in the process of securing senior debt financing and obtaining CDE commitments of NMTC Allocation. | | | | | | | | | |
| Community Benefits/Impact: | <ul style="list-style-type: none"> ➢ Jobs: 290 Permanent / TBD Construction ➢ 100% of jobs above MIT Living Wage and 100% of jobs receive benefits ➢ Estimated to serve 223,000 community members annually. ➢ Social Services: Partners with local nonprofits for job training and hiring, offering benefits like medical, dental, and vision insurance for employees and their dependents. | | | | | | | | | |



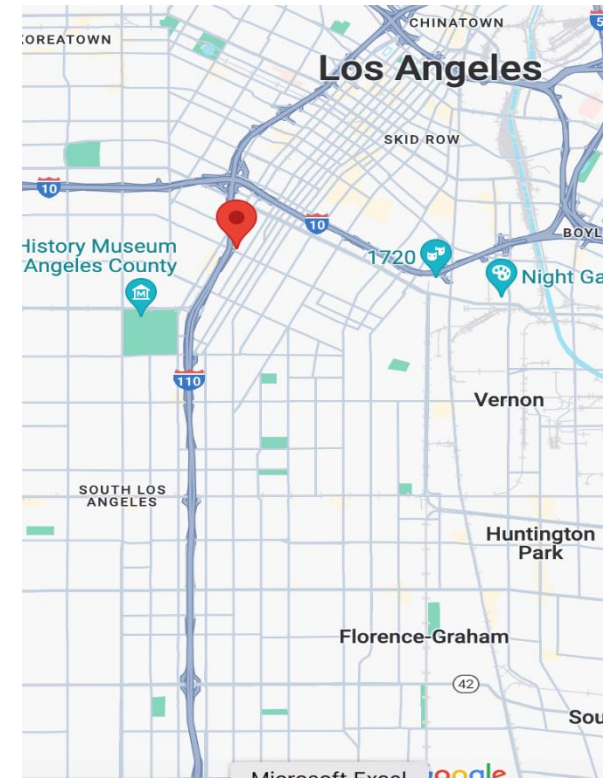
PROJECT ANGEL FOOD (PHASE II)

| | | | | | | | | | |
|---|---|------------|---------------|------------|--------|--|--|-----------|---------------|
| Developer: | Project Angel Food (a non-profit organization) | | | | | | | | |
| Project Type: | New Construction / Office & Community Space | | | | | | | | |
| Description: | <p>Project is the new construction of a 15,000 SF facility which will house Project Angel Food's administrative offices, Nutrition Services and Client Services, as well as enhance the programming at the Phase I site across the street (<i>financed by LADF in March 2024</i>). The combined development, with both phases, will create a combined 32,000 SF campus.</p> <p>Project Angel Food is a nonprofit organization founded in 1989. Project Angel Food prepares and delivers over 1.3 million medically tailored meals each year, free of charge, to low-income people affected by life-threatening illnesses. Clients will receive one-on-one nutritional counseling and a customized menu that is designed to meet the unique needs of their diagnosis and aligned with their personal dietary restrictions and preferences. Currently, the Project Angel Food kitchen creates 13 variations of each menu.</p> | | | | | | | | |
| Location: | 954-962 Vine Street, Los Angeles CA 90038 (CD 13) | | | | | | | | |
| Census Tract Eligibility (2016-20): | <ul style="list-style-type: none"> ➤ 20.5% Poverty Rate (<i>greater than 20%</i>) ➤ 50.8% 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%;">\$ TBD</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>\$ 10,000,000</td> </tr> </table> | Budget: | \$ TBD | Total QEI: | \$ TBD | | | LADF QEI: | \$ 10,000,000 |
| Budget: | \$ TBD | Total QEI: | \$ TBD | | | | | | |
| | | LADF QEI: | \$ 10,000,000 | | | | | | |
| Potential Sources of Funds: | Funding Sources are TBD \$ TBD | | | | | | | | |
| Projected Closing: | TBD | | | | | | | | |
| Current Status: | Project is still in design and pre-development stages. | | | | | | | | |
| Community Benefits/Impact: | <ul style="list-style-type: none"> ➤ Job Creation: TBD Permanent – TBD Constr. ➤ Community impacts associated with the nutrition and food programming planned for the site have not yet been provided. | | | | | | | | |



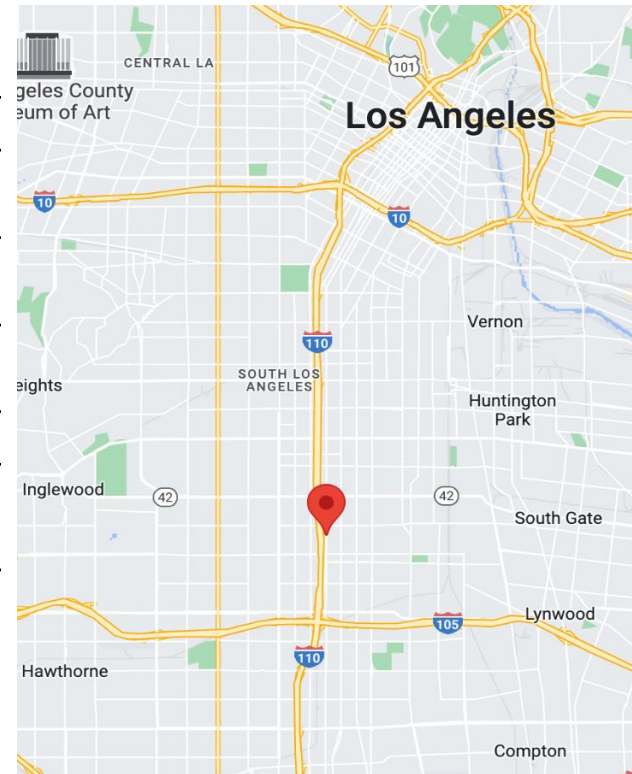
LUSKIN ORTHOPAEDIC INSTITUTE FOR CHILDREN

| | | | |
|---|--|---------------|---|
| Developer: | The Luskin Orthopaedic Institute for Children | | |
| Project Type: | Expansion; Critical healthcare facility for Low-Income Children & Adults | | |
| Description: | <p>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.</p> | | |
| 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: | Budget: | \$ 12,000,000 | Total QEI: \$ 12,000,000 LADF QEI: \$ 12,000,000 |
| Potential Sources of Funds: | Sponsor Equity / Fundraising: | \$ 8,260,000 | Lev. Loan Eligible |
| | NMTC Equity (\$0.80 / NMTC): | \$ 3,740,000 | |
| Projected Closing: | TBD | | |
| Current Status: | TBD | | |
| 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. | | |



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: 20%;">Budget:</td> <td style="width: 20%;">\$ 69,027,354</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 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: | 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. | | | | | | | | |



Tab 4

NEW MARKETS TAX CREDITS INVESTMENT REPORT

TO: LADF Board of Directors
 FROM: Sandra Rahimi, Secretary
 DATE: March 24, 2025
 SUBJECT: Request to Approve a **\$9,000,000** New Markets Tax Credits Allocation to Crenshaw Lofts, LLC (“**QALICB**”) for the SoLa Crenshaw Center (“**Project**”)

SUMMARY

Project Name: SoLa Crenshaw Center (“**Project**”)

Location: Crenshaw Corridor/Park Mesa Heights neighborhood of South Los Angeles (CD 8)

Project Description: New construction of an Educational/Training and Consumer Retail/Services Facility

Sponsor / Developer: SoLa Impact, LLC (“**Sponsor**”, or “**SOLA**”)

Ownership:

- Sponsor affiliate owns fee interest in the land & improvements
- Sponsor affiliate will master lease the commercial component to the QALICB

NMTC Investor: Dudley Ventures, LLC (“**Investor**”)

Total Project Cost: \$ 35,399,000

Total Allocation / QEI: \$ 29,000,000
LADF Allocation / QEI: \$ 9,000,000 LADF XXXIV, LLC (*Certified Sub-Allocatee*)

Job Creation (Direct): **45** Permanent FTEs (*34 created & 11 retained*); **67** Construction FTEs

Site Eligibility Criteria: 2020 Census Tract No. 06037234502 – *Eligibility under 2016-2020 ACS Data:*

- 21.2% Poverty Rate (> 20% – *NMTC Qualifying*)
- 63.57% AMI (≤ 80% – *NMTC Qualifying*)
- 2.44x Nat’l Unemp. Rate (≥ 1.5x – *Severely Distressed under Sec. 3.2.h.iii*)

Community Benefits:

- SoLa Tech Center West will provide (1) digital literacy and workforce development to **2,500 students annually** (*anticipated 5,000 students by 2030*) and (2) empowerment and entrepreneurship training to **500 youth annually**
- Crenshaw Café will provide culinary workforce training to **30 students annually** (*anticipated 70 students annually within 7 years*)
- Project will separately finance 186 new, affordable housing units

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: \$ 2,650,686

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PROJECT DESCRIPTION

SoLa Impact, LLC (“**SOLA**,” or “**Sponsor**”) will utilize NMTC financing for the development of the SoLa Crenshaw Center (“**Project**”), which makes up the commercial portion of the greater Crenshaw Lofts development. SOLA is the Sponsor of the SoLa Crenshaw Center project and has the same majority owners as the manager of its affiliated OZ Fund. The Project aims to address the critical need for community-focused amenities and housing in South Los Angeles. NMTCs will finance the ground floor community facility, including the SoLa Tech Center West (*a dedicated space for technology access and workforce training*) and Crenshaw Café (*culinary workforce training program*), as well as a 133-stall parking garage.



The greater Crenshaw Lofts development includes 186 rental housing units on the upper floors (*20% of which will be affordable*). Construction of the rental residential is financed separately. on the upper floors. By combining economic opportunities, housing, and community engagement, the greater Crenshaw Lofts development seeks to foster long-lasting impact for underserved residents while revitalizing a severely distressed census tract along Crenshaw Boulevard, designated as a cultural hub for Black Arts and Culture. The NMTC-financed project will create and retain a total of 45 permanent jobs and create 67 construction jobs, contributing to economic growth and the revitalization of the Crenshaw Boulevard corridor.

SoLa Tech Center West (“**Tech Center**”), operated by the Sponsor’s affiliate SoLa Foundation, represents the largest component (*approx. 10,000 SF*) of the NMTC-financed SoLa Crenshaw Center and will deliver the following programming:

- **Digital Literacy and Workforce Development:** The Tech Center will offer digital literacy programs and workforce development training, aiming to equip individuals with essential technology skills for the modern job market. Services will include basic computer skills, coding bootcamps, and job preparation courses. It is projected to serve 2,500 individuals annually, focusing on empowering low-income individuals with marketable skills. The program has a long-term goal of building a skilled workforce of 5,000 leaders and innovators by 2030.
- **Youth Empowerment and Entrepreneurship Programs:** The Tech Center will also provide specialized youth programs in entrepreneurship, financial literacy, and leadership development. These programs aim to foster self-reliance, innovation, and community leadership among young residents. Approximately 500 youth are expected to participate annually, with a particular emphasis on reaching underserved communities.
- **Community Workshops and Life Skills Training:** Open to the public, the Tech Center will host community workshops on topics like financial literacy, career readiness, and personal development. These sessions are designed to help residents build essential life skills and advance professionally, serving around 1,000 participants annually.
- **Live Nation Studio Events and Local Arts Programs:** The Live Nation Studio within the Tech Center will host cultural events, including live performances and art exhibitions that celebrate local talent and culture. The Studio is expected to draw over 10,000 community members annually, fostering cultural pride and engagement within South LA.

SoLa Tech Center West will be modeled after the existing SoLa Technology and Entrepreneurship Center (*also known as the “SoLa Beehive”*), which is located in the Florence community of South Los Angeles and about 5.4 miles

from the Project site. The SoLa Beehive trains youth in essential tech and entertainment skills, offering direct career pathways into LA's prominent industries. As the only dedicated STEM education facility within a five-mile radius, the SoLa Beehive has quickly become a hub for various professional and community events. In just two years, SoLa Beehive has impacted over 3,000 youth and exceeded its enrollment goals by 21% in 2023.

The Project will also include the Crenshaw Café, also to be operated by SoLa Foundation. Crenshaw Café will be a culinary workforce development program providing hands-on vocational training and certification in culinary arts, food safety, and entrepreneurship. Annually, it will certify and train over 30 youth and young adults from the community, offering pathways into culinary careers. Additionally, the Café will serve as a community resource, featuring a test kitchen available for local entrepreneurs and providing catering services for local events, directly addressing healthy food access and economic empowerment in South LA.

Founded as a Black-owned and managed real estate fund, SOLA channels capital into overlooked and underinvested BIPOC neighborhoods through its affiliated Black Impact Fund. SOLA has a mission to drive inclusive economic growth by developing high-quality, cost-efficient housing and community-focused spaces. The Project exemplifies this mission by addressing systemic inequities and creating opportunities for residents in South Los Angeles. The development is expected to advance economic empowerment through job creation and job training while preserving the cultural identity of the area.

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:

- 4611 Crenshaw Blvd, Los Angeles, CA 90043 – Council District 8: Councilmember Harris-Dawson

The site is situated in the Crenshaw Corridor Specific Plan area of the Park Mesa Heights neighborhood in South Los Angeles and spans approximately 0.9 acres. Historically, the site has been utilized for various purposes, including retail and office spaces. Construction of the project began in 2023 and is currently 90% complete with anticipated completion in June 2025.

The project will utilize New Markets Tax Credits ("NMTCS") to support the development of the SoLa Crenshaw Center. The final improvements on the site will include 186 newly constructed rental housing units (20% affordable) on the upper floors. Construction of these residential units is financed and managed separately by the Sponsor.

The site is zoned C2-2D-SP, allowing for mixed-use development, including residential and commercial uses. It is a transit-oriented development because of its location along Crenshaw Boulevard, a major transit corridor, and proximity to the Hyde Park station of the Metro K Line.

Site Control

Between 2018 and 2021, SOLA acquired the 4 parcels making up the subject site. LADF has reviewed a preliminary title report dated November 17, 2024 and a chain of title report dated March 19, 2025, both prepared by Provident Title Company. This title reports identify several encumbrances, including a \$36,000,000 deed of trust in favor of construction lender Bank Hapoalim B.M. . The preliminary title report lists various utility easements and covenants, and subsurface oil and gas leases affecting portions of the property, without surface entry rights. These encumbrances are common for urban properties and do not appear to impede the proposed development.

Although the subject transaction will be unsecured by real estate, LADF staff has requested the updated chain of title report to confirm that the only deed of trust recorded against the property is the \$36 million loan closed in 2023 for construction of the rental residential component.

COMMUNITY AND ECONOMIC BENEFITS

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

Job Creation/Retention: Permanent Jobs: Creating **34 FTEs** | Retaining **11 FTEs** (**45 FTEs Total**)
Construction Jobs: Creating **67 FTEs**

Quality Jobs: Permanent Jobs:

- **100%** (or **45 FTEs**) pay above City of LA’s LWO Wage
- **100%** (or **45 FTEs**) pay above the MIT Living Wage
- **78%** (or **35 FTEs**) receive benefits such as health insurance (medical, vision, dental), retirement, paid time off, sick time accrual, and paid medical/family leave

Construction Jobs:

- **100%** (or **67 FTEs**) pay above City of LA’s LWO Wage
- **100%** (or **67 FTEs**) pay above the MIT Living Wage
- **100%** (or **67 FTEs**) receive benefits such as those listed above

Accessible Jobs: Permanent Jobs:

- **80%** (or **36 FTEs**) accessible to Low-Income Persons
- **67%** (or **30 FTEs**) accessible to residents of Low-Income Communities
- **91%** (or **41 FTEs**) accessible to Minorities

Construction Jobs:

- **75%** (or **50 FTEs**) accessible to Low-Income Persons
- **100%** (or **67 FTEs**) accessible to residents of Low-Income Communities
- **100%** (or **67 FTEs**) accessible to Minorities

Community Goods/Services to Low-Inc. Communities In total, the Project will provide community goods and services to **4,070 individuals** annually, of which 3,510 or 86% will be Low-Income Persons or residents of Low-Income Communities and 3,660 or 90% will be Minorities.

- SoLa Tech Center West will offer (1) digital literacy and job training programs to **2,500 individuals** (*2,300 LIPs or 92%*), (2) youth empowerment and entrepreneurship programs to **500 youth** (*400 LIPs or 80%*), and (3) community workshops and life skills training to **1,000 individuals** (*750 LIPs or 75%*)
- Crenshaw Café will offer culinary workforce training and career placement for 30 participants in its first year, and scale up to **70 participants** (*60 LIPs or 86%*) annually within the NMTC Compliance Period

Additionally, Live Nation Studio will host cultural events to celebrate local arts and strengthen community pride, with anticipated annual attendance of **10,000 individuals**

Financing Minority Businesses:

Sponsor (SOLA) is a Black-owned and managed family of closed-end real estate funds¹ that invest in the preservation and development of affordable and workforce housing within overlooked and underinvested communities, with 95% of projects located in BIPOC neighborhoods

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.

DEVELOPMENT TEAM

The NMTC transaction for the SoLa Crenshaw Center is an element of the funding for the greater Crenshaw Lofts development (*which in addition to SoLa Crenshaw Center includes the separately-financed housing component*), which involves an Opportunity Zone (“OZ”) fund, Black Impact OZ Fund I, LLC, (“OZ Fund”) established by SoLa Impact, LLC. The OZ Fund’s subsidiary, BIF OZ 4607 Crenshaw Blvd, LP, owns and is developing the greater Crenshaw Lofts development.

The table below highlights the key entities in the ownership and management structure of the NMTC transaction. SoLa Impact, LLC has the same majority owners as the manager of its affiliated OZ Fund. Through its subsidiary, OZ Fund is the owner of the Crenshaw Lofts development site and is also the Leverage Lender and Guarantor in the NMTC transaction for the SoLa Crenshaw Center portion of the development. The SoLa Foundation is a majority owner of the QALICB and sub-tenant of the QALICB, and will operate the Tech Center West and Crenshaw Café in the SoLa Crenshaw Center.

| | |
|---|--|
| <p>SoLa Impact, LLC (“Sponsor” or “SOLA”) <i>Sponsor of the Project. Has same majority ownership as the GP of the OZ Fund</i></p> | <p>Crenshaw Lofts, LLC (“QALICB”) <i>QALICB in the NMTC transaction to finance the construction of the Project, master lessee of the NMTC portion of the Project</i></p> |
| <p>Black Impact OZ Fund I, LP (“OZ Fund”) <i>Guarantor in the NMTC transaction and affiliate of the Sponsor</i></p> | <p>BIF OZ 4607 Crenshaw Blvd, LP (“BIF”) <i>Leverage Lender and additional Guarantor in the NMTC transaction. Subsidiary of the OZ Fund: owner of the Crenshaw Loft site and master lessor of the NMTC portion of the Project; also 10% owner of the QALICB.</i></p> |
| <p>SoLa Foundation <i>Sub-lessee of the completed SoLa Crenshaw Center, operator of the Tech Center West and Crenshaw Café delivering community benefits, and 90% owner of QALICB</i></p> | |

QALICB: Crenshaw Lofts, LLC (“QALICB”)

Crenshaw Lofts, LLC was formed on January 10, 2025, and is a Delaware limited liability company that was organized to serve as the Qualified Active Low Income Community Business (“QALICB”) for the NMTC transaction.

¹ According to Best Ever Commercial Real Estate: “The closed-end fund structure is the most common type of fund. In this structure, the sponsor will raise equity, typically for a fixed period of time or to a set amount. Once the capital is raised, no new equity is able to come into the Fund. A closed-end fund has a set term on the life of the fund. With real estate, it is typical to be around 10 years...”

The entity was established for the purposes of master leasing and managing the real estate leasehold interests in the NMTC portion of the project. The QALICB will enter into a master lease agreement with the subsidiary of the OZ Fund (*an affiliate of the Sponsor*) to develop the SoLa Crenshaw Center. The QALICB will also sub-lease the entire NMTC portion to SoLa Foundation to operate the programming in the Project.

The QALICB will be considered a “real estate” QALICB for NMTC purposes. An Agreed-Upon Procedures report¹ will not be required by LADF for the QALICB compliance because the QALICB will have no employees 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.

Since this is a recently formed company, there are no financial statements to review. The company will be the beneficiary of the NMTC and direct project financing sources, which the Sponsor originally solicited. The joint Sponsor and QALICB management team will carry out the development of the project and be responsible for management and maintenance of the subject property.

Sponsor / Developer: SoLa Impact, LLC (“Sponsor”, or “SOLA”)

SOLA is the Sponsor of the SoLa Crenshaw Center project and has the same majority owners as the manager of its affiliated OZ Fund. SOLA is a Black-owned and managed family of closed-end real estate funds that focuses on the preservation and development of affordable and workforce housing in overlooked and underinvested communities. With 95% of its projects located in BIPOC neighborhoods, SOLA aims to channel capital into areas that need it most, advancing economic opportunity and fostering social impact in Black and Brown communities. The Crenshaw Lofts development at 4611 Crenshaw Boulevard (*which includes the NMTC-financed SoLa Crenshaw Center and separately-financed housing component*) exemplifies this mission, operating through SOLA's affiliated Black Impact OZ Fund I, LP, which is dedicated to creating high-quality, cost-efficient housing and community-focused spaces.

With over 3,000 units in development and 2,000 under management, SOLA has established itself as one of Southern California's largest and most innovative developers of affordable and workforce housing. The organization is known for its ability to consistently achieve both significant social impact and market-rate returns. SOLA's projects address systemic inequities by providing much-needed housing while supporting local communities through economic growth and access to resources.

SOLA has a construction management department. The owner's representative, a SOLA employee, will be onsite and work with Project Managers within the various trades (*GC, architect, design team, etc*).

One of SOLA's defining initiatives is the Model/Z program, which uses modular construction techniques to significantly reduce build time and costs. This approach enables SOLA to deliver projects efficiently while maintaining the high standards of quality needed to serve underserved communities effectively. The success of this initiative highlights SOLA's ability to innovate in real estate development while staying true to its mission of driving equitable growth.

Under the leadership of Martin Muoto, the visionary founder and CEO of SOLA, the organization has grown into a transformative force in real estate development. Martin's strategic focus on investing in overlooked communities and addressing housing affordability has made SOLA a nationally recognized leader in the sector. He has received numerous accolades for his work, including recognition as one of the most influential figures in affordable housing.

¹ 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.

Martin's commitment to combining economic returns with measurable social impact has been instrumental in shaping SOLA's mission and success, inspiring meaningful change in underserved neighborhoods across Southern California.

By blending financial expertise with a clear social mission, SOLA continues to serve as a reliable and experienced partner for community development. The organization's commitment to advancing equity, fostering sustainability, and creating inclusive opportunities positions it as a leader in addressing the housing crisis in underserved neighborhoods while driving long-term, transformative change. Sola has a dedicated construction management department, including an in-house owner's representative who is a Sola employee. This representative collaborates closely with project managers across various trades, including the general contractor, architect, and design team.

Guarantor / Sponsor Affiliate: Black Impact OZ Fund I, LP ("OZ Fund ")

SOLA's affiliate, Black Impact OZ Fund 1, LP, is a Delaware limited partnership and an Opportunity Zone fund that was formed on October 7, 2020 to develop, construct and manage multi-family, low-income housing properties, within the south Los Angeles neighborhoods. Its subsidiary, BIF OZ 4607 Crenshaw Blvd, LP, is a special-purpose entity formed to own and manage the real estate interest in the Crenshaw Lofts development. Both the OZ Fund and its subsidiary will provide the indemnities and guaranties related to the NMTC transaction.

GUARANTOR FINANCIAL STATEMENT ANALYSIS

LADF has reviewed the audited financial statements for the OZ Fund for the fiscal years 2021 through 2023, as well as interim financial statements for the nine months ending September 30, 2024. The company capitalizes its development projects with a combination of equity investments and construction loans, and services its debt and provides returns on equity with rental income from residential and commercial tenants at its completed projects.

The financial performance over the observed period reflects substantial growth in cash reserves and capital contributions, enabling continued expansion and development activities. Total assets increased from \$46.67 million as of December 31, 2021 to \$167.25 million as of September 2024. This growth was primarily driven by significant equity contributions, including \$62.99 million in 2022 and \$14.89 million in 2023, supplemented by construction loan facilities for ongoing projects. Notably, construction in progress as of September 2024 stood at \$145.48 million, indicating robust project activity.

Net losses were recorded at \$1.46 million in 2021, \$766,252 in 2022, and \$4.56 million in 2023. However, these losses are attributable to high upfront expenses associated with construction and development. The organization's liquidity remains strong, with a cash balance of \$19.20 million as of September 2024, demonstrating the ability to meet operational and development commitments.

Debt obligations include construction loan balances and other notes payable, with interest rates for loans ranging from 6.75% to 7.25%. The organization has consistently managed its debt service, with sufficient cash flow and capital contributions to cover obligations. While its development projects are under construction and lease-up phases, the OZ Fund has serviced its debt with capital contributions from equity investors. After project stabilization, it is projected that the OZ Fund will generate enough cash flow to service its debt obligations.

Overall, the OZ Fund demonstrates a stable financial position supported by substantial partner contributions and effective use of financing mechanisms, ensuring it can absorb cost overruns or delays without compromising project viability.

Leverage Lender / OZ Fund Subsidiary: BIF OZ 4607 Crenshaw Blvd, LP (“BIF”)

The Leverage Lender is a subsidiary of OZ Fund and was established on June 22, 2021 to develop, construct and manage the real estate interest in the entire Crenshaw Lofts development that includes the NMTC-financed SoLa Crenshaw Center on the ground floor and the separately financed housing project on the upper floors. As of its amended operating agreement dated June 28, 2022, the Leverage Lender entity was capitalized with equity contributions totaling \$36.2 million. The Leverage Lender will be providing indemnities and guaranties related to the NMTC transaction alongside its parent OZ Fund.

General Contractor: Suffolk Construction (“GC”, or “Suffolk”)

Suffolk Construction Company, Inc. (“GC”, or “Suffolk”), established in 1982 and headquartered in Boston, is a nationally recognized firm specializing in large-scale construction projects across commercial, residential, and institutional sectors. With a strong presence in Los Angeles, Suffolk has developed a reputation for delivering high-quality projects that integrate innovative technology, sustainable building practices, and streamlined project management. The company’s leadership team includes Chairman and CEO John Fish, along with executives who bring extensive experience in construction management and finance.

Suffolk’s portfolio includes high-profile developments such as the \$135 million Vermont mixed-use project in Los Angeles, the 220,000 SF 4611 Crenshaw Lofts (*including the NMTC-financed Crenshaw Center*), and the 600,000 SF AXIS Apartments. The firm is adept at handling complex, multi-phase projects, incorporating advanced preconstruction planning and digital modeling to optimize efficiency and cost control. Suffolk has received industry recognition, ranking #9 among the Top 100 Green Contractors and #14 in the Top 100 Contractors list by Engineering News-Record in 2023.

The GC has requested that their financials remain confidential, however, LADF staff has reviewed them and confirmed their financial strength. Due to the GC’s financial position, LADF will not require a performance and payment bond. Instead, the GC mandates default insurance from major subcontractors to mitigate potential risks .

LADF has reviewed the executed Guaranteed Maximum Price (“GMP”) contract. BIF and Suffolk Construction Company, Inc. entered into the GMP contract on May 10, 2023, with contract value of \$63,308,594.95. The GMP contract requires that Suffolk complete construction (*including the SoLa Crenshaw Center on the ground floor and housing on the upper floors*) within 717 days.

Architects: KFA Architects (“Architect”, or “KFA”)

KFA Architecture (“Architect”, or “KFA”), established in 1975, is a premier architectural firm based in Los Angeles, specializing in urban development and sustainable design. With a focus on multifamily housing, commercial spaces, and community-driven projects, KFA has played a significant role in shaping the city’s architectural landscape. Led by Wade Killefer and Barbara Flammang, the firm employs a diverse team of architects and designers committed to creating functional, aesthetically compelling, and environmentally responsible spaces.

Wade Killefer, FAIA: Founder and Partner Emeritus, Wade started KFA Architecture in 1975. He holds a Bachelor of Arts in English from Stanford University and a Master of Architecture from UCLA’s School of Architecture and Urban Planning. Wade has served as past president of the AIA Los Angeles and was elected to the College of Fellows by the American Institute of Architects in 2006.

Barbara Flammang, FAIA: Partner, Barbara joined KFA in 1980, bringing experience from working in several large architectural firms. She has played a pivotal role in the firm’s growth and success, contributing to its recognition as the AIA California Council Firm of the Year in 2016.

KFA's portfolio reflects its expertise in transformative urban projects, including Step Up on 5th, providing permanent supportive housing for individuals experiencing homelessness, and the Wilshire Boulevard Temple Campus, a landmark restoration integrating modern community spaces with historic architecture. Other notable projects include large-scale affordable housing developments and mixed-use spaces that contribute to the vibrancy of Los Angeles. The firm's work often incorporates LEED-certified sustainable practices, demonstrating its commitment to environmentally conscious design.

LADF has reviewed the executed contract between KFA Architecture and BIF signed on April 22, 2022, for \$454,000, covering design and construction administration services for the Crenshaw Lofts development.

PROJECT FEASIBILITY

Property Valuation

LADF's QLICs in this transaction will not be secured by the QALICB's leasehold interests 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*). However, an analysis of market rental rates is required for purposes of supporting the rental rate charged by the QALICB to the sub-lease tenants: SoLa Tech Center West and the Crenshaw Café.

LADF has reviewed a broker's letter provided by CBRE dated February 4, 2025. The evaluation of market retail rents for the SoLa Crenshaw Center project concluded the following:

The range of value suggests a market rent of \$2.75 to \$5.50 per SF (*Modified Gross*) with annual increases equal to 3%. The subject property is located on a major retail corridor and benefits from new construction and great signage visibility. A higher level of rent in excess of \$6 per SF (*Modified Gross*) can be achieved with a larger amount of landlord built out costs. In the current projections for the NMTC transaction, the sub-lease rental rates are projected at \$5 per SF (*Modified Gross*) with 3% annual escalations for all three tenants. Subleases with QALICB affiliates for these market rates will be executed prior to close of the NMTC transaction.

Environmental Inspections

LADF's QLICs in this transaction will not be secured by the QALICB's leasehold interests in the real estate, so LADF will not have any exposure to environmental risks in the Project. However, an assessment of environmental factors is still necessary to determine the viability of completion and operations of the Project to deliver the anticipated community and economic impacts.

A Phase I environmental report of the subject property was produced by Priority One Environmental, Inc. ("Priority") dated March 17, 2021. The report concluded that the assessment did not identify any recognized environmental conditions (RECs) in connection to the subject property. It also concluded that no additional environmental investigations were recommended for the site.

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, and Dudley Ventures will engage Capital Consultants Inc. ("CC"), a third-party construction inspection firm, to provide a cost review of the initial budget and monthly construction inspection reports for draws. CC will conduct a costing analysis based on final plans and specifications, as well as determine the feasibility of the costs to complete the Project at this stage of construction. Due to the tight closing timeline, the

report is not expected before close but is required before the first construction draw request. The current projected timeline anticipates construction completion in June 2025. LADF will rely on the selected vendor to inspect progress and provide monthly reports that will be relied upon by LADF and other stakeholders.

The project's disbursement process will be coordinated by LADF's partner CDE in the transaction Enterprise Financial CDE, LLC in its role as the disbursement agent. Enterprise'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 include date down endorsements from the title company and lien waivers from the GC.

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 | |
|--|---------------------|---------------------------------------|---------------------|
| Investment Fund Sources (LL & reserves) | | Project Development Uses | |
| - Bridge for Prior Costs (Dudley Ventures): | 20,116,400 | Prior-Incurred Construction Costs | 29,022,840 |
| - Add'l Contribution (Dudley Ventures): | 80,000 | Post-Closing Construction Costs | 3,000,000 |
| - Sponsor Equity: | 41,500 | Sub-Total | \$32,022,840 |
| Sub-Total | \$20,237,900 | | |
| Investment Fund Sources (NMTC Equity) | | Financing-Related Uses | |
| - NMTC Equity (LADF QEI): | 2,843,100 | - Interest Expense (net of reserves): | 74,860 |
| - NMTC Equity (Enterprise QEI): | 2,211,300 | <i>NMTC Closing Costs</i> | |
| - NMTC Equity (Border QEI): | 4,106,700 | - Pre-Incurred Clsg Costs (<24 mos): | 0 |
| Sub-Total | \$9,161,100 | - Legal/Acctg./Consulting Fees: | 785,000 |
| | | - LADF CDE Placement Fee: | 180,000 |
| | | - Other CDE Upfront Fees/Expenses: | 497,500 |
| | | - Inv. Fund Fees (Bridge Equity Fee): | 1,500 |
| | | <i>NMTC Reserves</i> | |
| | | - LADF Asset Mgmt. Fee Reserve: | 472,500 |
| | | - LADF Expense Reserve: | 104,000 |
| | | - Other CDE Fee/Exp. Reserves: | 1,140,800 |
| | | - Inv. Fund Fee/Exp. Reserves: | 120,000 |
| | | Sub-Total | \$3,376,160 |
| Total Project Sources | \$35,399,000 | Total Project Uses | \$35,399,000 |

DEVELOPMENT PRO FORMA

The total project cost for SoLa Crenshaw Center is estimated to be \$35.4 million, \$29 million of which will be leveraged through the NMTC structure to make \$28.7 million in Qualified Low-Income Community Investment ("QLICI") loans to the Project. In addition to the QLICIs, the QALICB will be capitalized with a \$5.5 million contribution from SoLa Foundation, a Sponsor affiliate and operator of the SoLa Tech Center West and Crenshaw

Café at the Project, and \$500,000 contribution from BIF for a total funding of \$34.7 million to the QALICB. The QALICB will be funded with \$33.7 million at NMTC closing and an additional \$1 million in May 2025 (*from SoLa Foundation's second funding to make its total contribution of \$5.5 million*).

The QALICB's \$34.7 million in combined QLICs and contributed capital will be disbursed as follows:

- \$29.0 million – Paid at closing to BIF OZ 4607 Crenshaw Blvd, LP, the subsidiary of the OZ Fund and site owner, to reimburse pre-closing construction expenses.
- \$1.1 million – Pay NMTC and Other Closing Costs
- \$1.7 million – Fund the CDE-Controlled Fee and Expense Reserve Accounts
- \$2.9 million – Fund the CDE-Controlled Construction Disbursement Account (*to-be-utilized for construction costs to complete the NMTC project. QALICB will pay its share of remaining construction costs pro rata based on relative square footage*)

NMTC-related reserves held by the QALICB total \$1.7 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 \$576,500 held in a separate account pledged to LADF.

At NMTC Closing, after funding the QLICs, the subsidiary of the OZ Fund will receive a \$29.0 million reimbursement from the QALICB 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 rental revenue. Operating expenses will consist of property taxes (*apportioned to the QALICB according to the square footage of the NMTC project relative to the total development including the housing units on the upper floors*) and property management fees. The rental revenue paid to the QALICB is projected at \$1.6 million annually at stabilization in 2026, and increasing with rental rate escalations thereafter. After accounting for operating expenses, the QALICB's debt service coverage ratio for the Project is estimated to range between 3.1x and 3.5x 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 March 2025*):

- March 2023: Obtain Shoring and Earthwork Permit
- June 2023: Obtain Building Permit
- May 2023: Construction Commencement
- October 2023: Foundation (*Substructure*) Completion
- April 2024: Superstructure (*Concrete & Wood*) Completion
- June 2024: Roof Completion
- February 2025: Facade Installation Completion
- April 10, 2025: NMTC Transaction Close (*Outside Closing Date per LADF's LOI*)
- June 2025: Substantial Completion (*25-month construction timeline*)
- September 2025: Final Completion

FINANCING PARTNERS

The project-level costs of the QALICB will be funded in whole by (1) the QLICI loans, (2) capital contribution by SoLa Foundation (*affiliate of Sponsor*), and (3) capital contribution from BIF OZ 4607 Crenshaw Blvd, LP (*affiliate of Sponsor*). 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

Dudley Ventures, LLC (“**NMTC Investor**”, or “**DV**”), is the NMTC Investor that will provide the equity contribution to the Investment Fund. DV is owned by Valley National Bancorp, a regional bank holding company, and provides tax credit equity to low- and moderate-income communities through community development lending and equity investments. This is LADF's first transaction with DV.

Over the past 14 years, DV has invested in 70 projects nationwide providing essential services, including healthcare, education, and resources for the homeless. DV has not previously invested in a project within Los Angeles but has been active throughout California, financing projects that support low- and moderate-income communities. Their portfolio includes investments in renewable energy, sustainable infrastructure, and community facilities.

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 XXXIV, LLC | \$9,000,000 |
| Enterprise Financial CDE, LLC | Enterprise Sub-CDE 48, LLC | \$7,000,000 |
| Border Communities Capital Company, LLC | BCCCXXV, LLC | \$13,000,000 |
| Total NMTC Allocation | | \$29,000,000 |

Enterprise Financial CDE, LLC

Enterprise Financial CDE, LLC (“**Enterprise**”), a subsidiary of Enterprise Financial Services Corp, has been awarded a total of \$353 million in New Markets Tax Credit allocations over seven awards, with the most recent being \$50 million in the 2023 Allocation round.

This is LADF's first transaction with Enterprise. Enterprise operates nationally, focusing on states such as Arizona, California, Illinois, Kansas, Missouri, Nevada, Texas, New Mexico, and their neighboring regions. Their mission is to invest in small businesses that stimulate job creation and economic development in highly distressed communities, as well as in community facilities that enhance the quality of life for underserved populations. Over the past decade, Enterprise 's NMTC allocations have supported 61 high-impact projects. This is Enterprise’s first NMTC transaction in Los Angeles County. Enterprise Community Partners has financed many projects in affordable housing development in Los Angeles County, including the Jordan Downs Redevelopment – Phase Four (90 apartments, 76 affordable, \$28.3M LIHTC equity) and 700 Simmons Ave (rehabilitation of an 11-unit multifamily building in East LA for long-term affordability).

Border Communities Capital Company, LLC

Border Communities Capital Company, LLC (“**BCCC**”), established in 2002, is a Community Development Entity that utilizes the NMTC program to finance projects in underserved communities along the U.S.-Mexico border, particularly in California and Arizona. Border focuses on financing land and infrastructure development, as well as vertical construction of commercial, medical, educational, hospitality, and industrial spaces. In the three rounds between 2021 and 2023, Border received \$119mm in NMTC allocation awards. This is LADF's first transaction with Border, and it's also Border's first investment in the Los Angeles County.

Notable projects include the University of California, San Diego Workforce Development Accelerator and Community Arts & Culture Innovation Center in San Diego, California, with a total cost of \$63.4 million and an \$11 million NMTC allocation from Border.

FINANCING STRUCTURE

The project's total development cost will be funded by the (1) \$29 million QEI generated through the NMTC leverage structure to the QALICB and (2) \$6 million Capital Contribution from two of the Sponsor's affiliate (*i.e. cash on hand*). For a full diagram showing the flow of funds at closing, please refer to [Exhibit A](#).

The Leverage Lender's \$20.2 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 prior-incurred costs of the project, which will be capitalized by the NMTC Investor with a one-day bridge equity investment. 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. Dudley Ventures, LLC 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 \$9.2 million. In exchange, the NMTC Investor will receive \$11.3 million in tax credits that will be generated through the Fund (*39% of the total \$29 million QEI*). This exchange of equity for tax credits reflects a pricing of \$0.81 per tax credit dollar for QEIs associated with SubCDEs' Allocations.

The \$20.2 million leverage loan provided to the investment fund by the subsidiary of the OZ Fund as the Leverage Lender will be interest-only for seven years during the NMTC compliance period and bear an interest rate of 1.4222%. 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 \$29.2 million in total. Upon closing of the NMTC transaction, the investment fund will use its capital to make \$29 million in total QEIs to the three Sub-CDEs, as well as fund a \$120,000 reserve for the investment fund's expenses and \$97,500 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 \$28.7 million.

With regards to LADF's Sub-CDE, LADF Management, Inc. (*LADF's subsidiary entity*) will contribute \$900 to capitalize the LADF Sub-CDE and own 0.01% share in the LADF Sub-CDE. LADF will earn \$67,500 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 1.75% (LADF), 1.7576% (Enterprise), and 1.5612% (BCCC) 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. Enterprise Sub-CDE – first \$6.9 million of capital redeployment
2. Border Sub-CDE – next \$12.7 million of capital redeployment
3. LADF Sub-CDE – next \$9 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 Dudley Ventures, LLC 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 Dudley Ventures, LLC to identify a project for reinvestment within the City of Los Angeles that is acceptable to both entities; thereafter Dudley Ventures, LLC can remove LADF Management, Inc. as managing member of LADF XXXIV, 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

The project is expected to be ready for NMTC closing by April 10, 2025, prior to the CDFI Fund’s April 17, 2025 threshold deadline under the 2024-2025 NMTC Application requirements for investing certain percentages of prior NMTC Allocations. 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:* All pre-leased to SoLa Foundation – 10,000 SF for SoLa Tech Center West and 5,000 SF for Crenshaw Café
Residential: Leasing of the separately financed 186 housing units on the upper floors will begin in Q2 2025, with anticipated absorption of 20-25 units per month and stabilization in approximately 9 months.
- *GMP Construction Contract:* Completed
- *Financing Commitments:* LOIs and term sheets have been issued by Dudley Ventures (*as NMTC Investor*), LADF (*as NMTC Allocatee*), Enterprise (*as NMTC Allocatee*), and BCCC (*as NMTC Allocatee*).
- *Outstanding 3rd Party Issues:* Not Applicable

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 06037234502. The population within the Census tract is 3,184 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):

- Poverty Rate of **21.20%** (*greater than 20%*)
- Median Family Income of **63.57%** 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:

- Unemployment rate of 13.2%, or **2.44x** the National unemployment rate (*greater than 1.5x*)

QALICB Analysis

The QALICB will satisfy the requirements for QALICBs and will be considered a business engaged in "Real Estate Activities", as defined by LADF's 2022 Allocation Agreement¹, because its sole business activity is the development of the project.

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 Agreements Compliance

This transaction will use \$9 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 60% 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 XXXIV, 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. While the SoLa Crenshaw development includes affordable housing on the upper floors, the NMTC

¹ "Real Estate Activities" is the development (including construction of new facilities or rehabilitation/enhancement of existing facilities), acquisition, management or leasing of real estate by a business.

investment by LADF will only be made for the commercial ground floor, so LADF will maintain compliance with 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)¹.”

LADF's QLICI notes bear interest rates of 1.75% and satisfy part (b) of this paragraph. To support compliance with this provision, LADF will obtain a flexible rates and terms letter from Dudley Ventures. In the current draft of this letter, Dudley Ventures indicates a market interest rate for the QLICIs of 8.0%, making LADF's QLICIs 78% below market rate.

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.

For purposes of producing the cost AUP, the project team proposes splitting the methodology for reviewing expenses between invoices and payments. The proposal involves reviewing 100% of invoices to confirm that they were actual incurred expenses. However, for review of payments, considering that payments are batched and reconciling each payment in a batched system is very lengthy, the project team proposes that (1) all hard cost

¹ Flexible or non-traditional rates and terms listed in Section 3.2(f) include: (i) Below market interest rates; (ii) Lower than standard origination fees; (iii) A longer than standard period of interest only loan payments; (iv) Higher than standard loan to value ratio; (v) A longer than standard amortization period; (vi) More flexible borrower credit standards; (vii) Nontraditional forms of collateral; (viii) Lower than standard debt service coverage ratio; or (ix) Subordination.

payments (*approximately 75% of total payments made*) will be reviewed to confirm they were made within the 24 month period, (2) the 20 highest dollar amount payments for soft costs will be reviewed to confirm they were made within the 24 month period, and (3) a random sampling of 20 payments from the remaining 330 soft cost line items will be reviewed to confirm they were made during the allowable 24 months. It is estimated that this approach will yield a review of at least 85% of all payments for prior costs and 100% of all invoices for prior costs, by dollar amount. This approach has been reviewed and agreed upon by Enterprise CDE, Border CDE, LADF, and Novogradac. A similar approach was used in the Food Access LA transaction (*closed in January 2025*) and is a common practice in the NMTC industry.

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

The equity generated through the NMTC structure will provide an estimated \$6.2 million in subsidy (*net of NMTC closing costs, placement/origination fees, management fees, and ongoing expenses*) to the Project. This represents 21.5% of the \$29 million QEI in the transaction and 17.8% of the \$34.9 million total project cost.

The availability of NMTCs has enabled the NMTC lenders to provide the loans on terms and conditions that are flexible and non-conventional, and the Project economics would not have been economically viable “but for” the NMTC subsidy received from the NMTC lenders. The NMTC loans will provide the necessary financial support to allow the project to allocate substantial capital directly to fund the impactful community and educational programs offered at the non-profit SoLa Tech Center West and the non-profit training café, rather than leasing the ground space at market rates to traditional for-profit retailers. Additionally, with the NMTC investment, the previously planned ground-floor with nine live-work units will be replaced with this state-of-the art indoor/outdoor facility of the SoLa Crenshaw Center offering innovative programming and delivering critical community goods and services to the surrounding Low-Income Community.

COLLATERAL AND GUARANTEES

LADF’s QLICI loans will be secured by the following security instruments:

- Security interest in the construction disbursement and reserve accounts, and
- Additional security for the QLICI loans will consist of guaranties from the OZ Fund and Leverage Lender (*subsidiary of the OZ Fund*).

The OZ Fund 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 OZ Fund and 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 Dudley Ventures, LLC (*as the Investor*) at NMTC Closing. Dudley Ventures, LLC may exercise its put option and sell its respective interest in the Fund to the Leverage Lender for \$1,000. If Dudley Ventures, LLC 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 highly 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 QLICs 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's affiliated OZ Fund and its subsidiary as guarantors, (2) the construction project being 90% complete as of NMTC closing, and (3) the project being 100% pre-leased to a Sponsor affiliate.

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 third in the waterfall (after BCCC's Sub-CDE) and would receive a return of capital only after \$19.7 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 has 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 \$180,000). LADF will receive fee in lump sum at closing.
- CDE Servicing & Compliance Fee – 0.75% of QEI per year for \$9 million of 2022 Allocation

- This equates to \$472,500, or quarterly installments of \$16,875 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 \$576,500, 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 QLICIs 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 projects. Additionally, the project poses minimal completion risk, as it is already 90% finished. The project demonstrates strong community benefits, aligning with LADF's mission and meeting key economic development objectives.

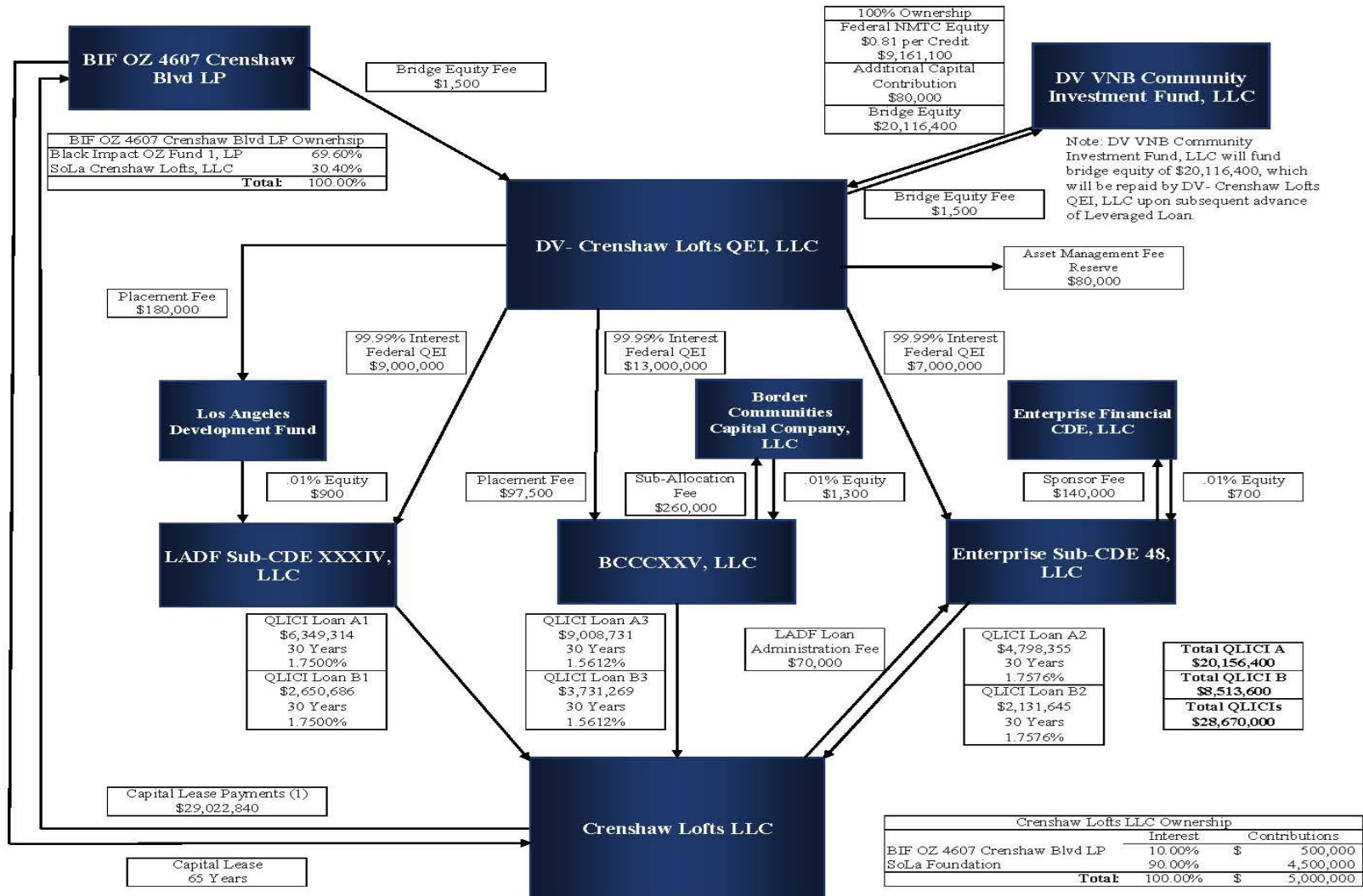
RECOMMENDATION

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

ATTACHMENTS

EXHIBIT A: SoLa Crenshaw Center Flow of Funds (*as of March 5, 2025* – Final Projections Pending)

EXHIBIT A: SoLa Crenshaw Center Flow of Funds (as of March 5, 2025 – Final Projections Pending)



(1) Contributions from SoLa Foundation and corresponding portion of Capital Lease payment at closing are non-cash transactions. This is a deemed equity contribution from SoLa Foundation and related payment under the Capital Lease for prior incurred Project costs.