

LADF

LOS ANGELES DEVELOPMENT FUND

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

June 13, 2019

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

JUNE 13, 2019

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

Tab 1

A G E N D A

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

**CITY HALL, ROOM 1050
200 N. SPRING STREET, LOS ANGELES, CA
Thursday, June 13, 2019 | 2:30pm – 4:00pm**

	AGENDA ITEM	PRESENTER	TAB
	Welcome and Call to Order	Rushmore Cervantes	
	Roll Call	Sandra Rahimi	
1	Discussion Items	Sandra Rahimi	
	a. Pipeline Update		Tab 2
2	Action Items	Sandra Rahimi	
	a. Request for Authorization to renew NMTC Coalition membership		
3	Closed Session Items	Rushmore Cervantes	
	a. LADF Staff Compensation		
	Request for Future Agenda Items	Rushmore Cervantes	
	Next Meeting Date and Time of Governing Board	Rushmore Cervantes	
	• Thursday, July 11, 2019, 2:30pm – 4:00pm		
	Public Comment	Rushmore Cervantes	
	Adjournment	Rushmore Cervantes	

The LADF's Board Meetings are open to the public. Accommodations such as sign language interpretation and translation services can be provided upon 72 hours notice. Contact LADF @ (213) 808-8959.

PUBLIC COMMENT AT LADF BOARD MEETINGS – An opportunity for the public to address the Board will be provided at the conclusion of the agenda. Members of the public who wish to speak on any item are requested to identify themselves and indicate on which agenda item they wish to speak. The Board will provide an opportunity for the public to speak for a maximum of three (3) minutes, unless granted additional time at the discretion of the Board. Testimony shall be limited in content to matters which are listed on this Agenda and within the subject matter jurisdiction of the LADF. The Board may not take any action on matters discussed during the public testimony period that are not listed on the agenda.

Tab 2

LADF

LOS ANGELES DEVELOPMENT FUND

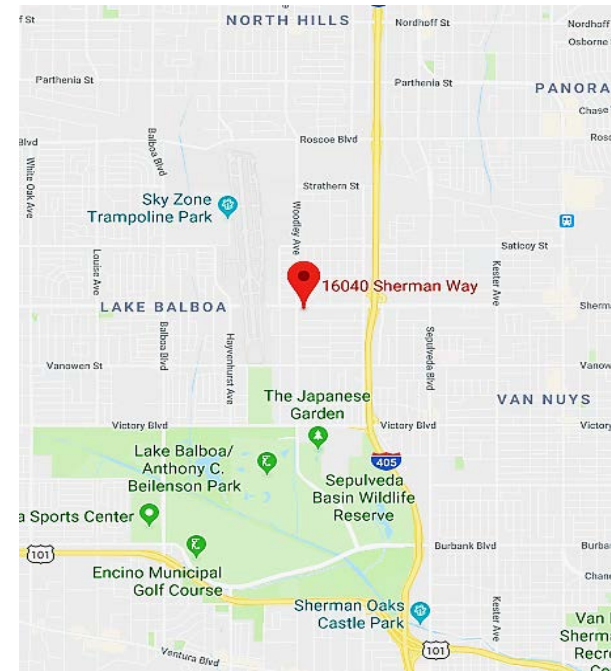
PIPELINE PROFILES

LADF Board Meeting
June 13, 2019

VALLARTA VAN NUYS SUPERMARKET

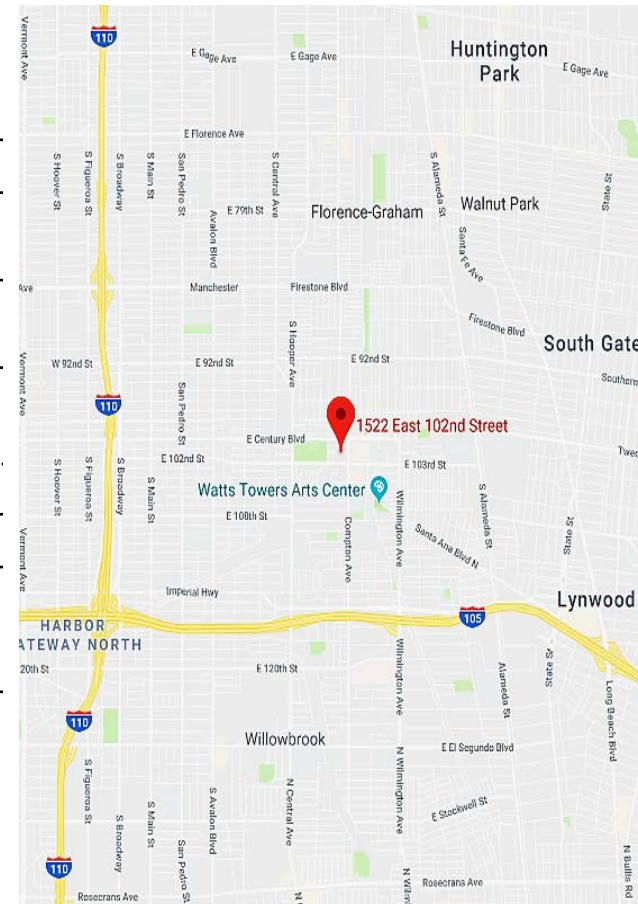


Developer:	Vallarta Supermarket									
Project Type:	Full-Service Grocery Store, Substantial Rehab									
Description:	Project includes the substantial rehab of a vacant 41,000 SF Toys R Us property to create a full service, minority-owned grocery store in a USDA designated food desert. On average, 42% of products sold by Vallarta Supermarkets qualify as fresh/healthy options. Vallarta estimates that 80% of the 235 permanent FTEs (182 full time & 68 part time @ 27 hours/week) will be filled by bilingual low-income residents of the surrounding community. NMTC will compensate for the high cost of land purchase and the rising Los Angeles minimum wage and allow Vallarta to maintain grocery prices low and affordable to the surrounding low-income community.									
Location:	16040 Sherman Way, Van Nuys, CA 91406 (CD 6)									
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 30.2% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 44.7% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ USDA-Designated Food Desert 									
Estimated TDC & NMTC Allocation:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$30,500,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 30,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 15,000,000</td> </tr> </table>	Budget:	\$30,500,000	Total QEI:	\$ 30,000,000			LADF QEI:	\$ 15,000,000	
Budget:	\$30,500,000	Total QEI:	\$ 30,000,000							
		LADF QEI:	\$ 15,000,000							
Potential Sources of Funds:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Sponsor Equity:</td> <td style="width: 20%;">\$ 2,100,000</td> <td style="width: 20%;">Lev. Loan Eligible</td> </tr> <tr> <td>Chase Source Loan:</td> <td>\$ 20,000,000</td> <td>Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.82 / NMTC):</td> <td>\$ 8,400,000</td> <td>Net NMTC Equity</td> </tr> </table>	Sponsor Equity:	\$ 2,100,000	Lev. Loan Eligible	Chase Source Loan:	\$ 20,000,000	Lev. Loan Eligible	NMTC Equity (\$0.82 / NMTC):	\$ 8,400,000	Net NMTC Equity
Sponsor Equity:	\$ 2,100,000	Lev. Loan Eligible								
Chase Source Loan:	\$ 20,000,000	Lev. Loan Eligible								
NMTC Equity (\$0.82 / NMTC):	\$ 8,400,000	Net NMTC Equity								
Projected Closing:	October 2019									
Current Status:	➤ Finalizing investor and partner CDEs.									
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 235 Permanent – 30 Construction ➤ Full service grocery in a USDA Food Desert ➤ Minority-owned QALICB 									



CHILDREN'S INSTITUTE (WATTS CAMPUS)

Developer:	Children's Institute, Inc. (CII)		
Project Type:	Community Facility, New Construction and Substantial Rehab		
Description:	<p>Construction of a new 20,000 SF state-of-the-art community facility in Watts for the Children's Institute, providing holistic, integrated services for at-risk children, youth and families. CII's new facility will serve approximately 2,000 low-income individuals annually, with programs focused on mental health, early care and education, youth development, and family support services.</p> <p>The project also includes renovation of two existing buildings on the property, providing 6,000 SF of CII and community meeting space, and 14,000 SF of leasable space for nonprofits and community-serving businesses. A portion of the space will be leased to a tenant that provides affordable, fresh, healthy foods.</p>		
Location:	1522 East 102nd St., Los Angeles, CA 90002 (CD 15)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 37.3% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 47.9% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget: \$ 24,000,000	Total QEI: \$ 24,000,000	LADF QEI: \$ 11,000,000
Potential Sources of Funds:	Capital Campaign, inc. City Prop. K Grant, Sponsor cash-on-hand:	\$ 16,500,000	Lev. Loan Eligible
	NMTC Equity (\$0.80/NMTC):	\$ 7,500,000	
Projected Closing:	December 2019		
Current Status:	<ul style="list-style-type: none"> ➤ CII Board has retained Frank Gehry as pro-bono design architect ➤ Capital campaign is in process – \$11mm committed ➤ Genesis LA committed \$13MM in allocation 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: TBD Permanent – TBD Construction ➤ Project will serve 2,000 low-income individuals per year ➤ Provide space for community meetings and nonprofit tenants ➤ Provide affordable, fresh, health foods in a USDA Food Desert ➤ Sponsor's track record shows that 90% of the 24,000 individuals it serves annually would qualify as Low-Income 		



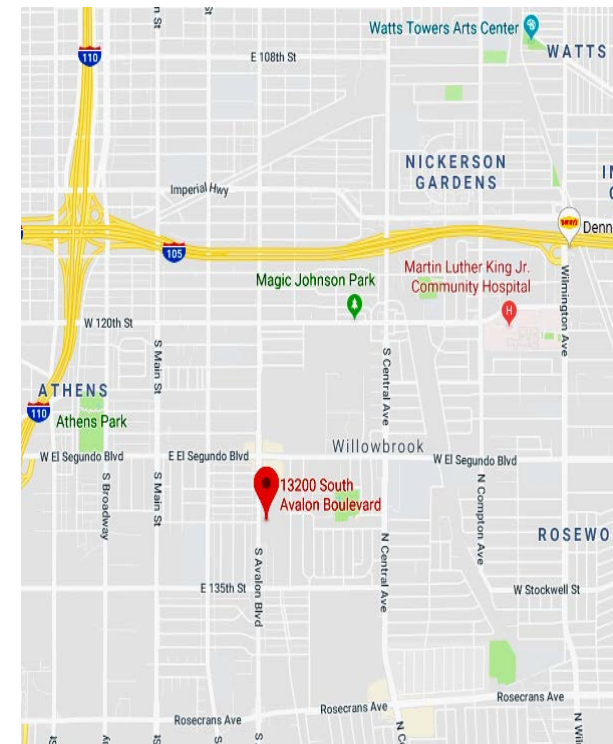
DEBBIE ALLEN DANCE ACADEMY

Developer:	Debbie Allen Dance Academy ("DADA")		
Project Type:	Community Facility, Substantial Rehab		
Description:	<p>Project includes the rehabilitation of a 24,000 SF facility for DADA's dance instruction and programming. DADA is a non-profit organization that offers a comprehensive dance curriculum to students ages four and up. DADA has an enrollment of 800+ children annually and serves 15,000+ community members annually through its community outreach programs. The project will allow DADA to relocate from its existing 8,000 SF facility to this 24,000 SF facility, allowing it to have more studios and accommodate twice the number of students. The project also highlights a 200 seat performance center which will reduce costs from rehearsal and performance space rentals. The project will also accommodate an enhanced production studio that will house additional classes and an internship program for the following: lighting design, music composition, sound design, tech theater, hair and make-up design, ariel dance, play and screenwriting, and academic tutoring.</p>		
Location:	2221-2231 W. Washington Blvd, Los Angeles, CA 90018 (CD 10)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 34.3% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 46.8% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget: \$ 18,100,000	Total QEI: \$ 16,000,000	
		LADF QEI: \$ 11,000,000	
Potential Sources of Funds:	Capital Campaign: \$ 10,800,000	Lev. Loan Eligible	
	NMTC Equity (\$0.83 / NMTC): \$ 5,200,000		
Projected Closing:	December 2019		
Current Status:	<ul style="list-style-type: none"> ➤ Sponsor was gifted the site ➤ Entitlements are ongoing, RTI permits expected Q4 2019 ➤ Closing on \$5mm of \$16mm NMTC allocation in June 2019 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 35 Permanent – 75 Constr. (<i>70% local / 20% MWBE</i>) ➤ Increase enrollment capacity from 800 to 1,600 students annually – <i>80% minority and 75% low-income persons</i> ➤ Sponsor is a minority women-owned business 		



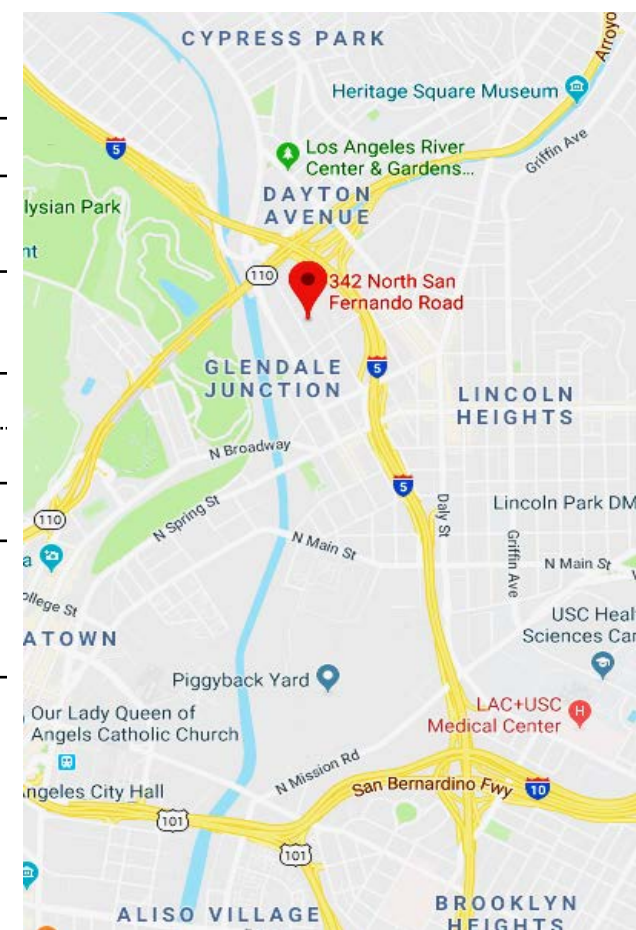
ANGELES HOUSE

Developer:	Union Rescue Mission								
Project Type:	Transitional Housing and Services Facility, New Construction								
Description:	Project includes the new construction of a 75,000 SF transitional housing facility, which will charge no rent to its residents and provide social services to homeless families in Los Angeles. The facility will provide 86 new private housing units with capacity for 370 family members , and each unit will contain an individual bedroom and bathroom. The facility is also designed and will be constructed to achieve LEED Silver certification or equivalent.								
Location:	13200 Avalon Blvd., Los Angeles, CA 90061 (<i>LA County unincorp.</i>)								
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 76.5% of Metro/State Median Income (<i>less than 80%</i>) ➤ Severely Distressed guidelines met due to a major disaster declaration and medical services in a medically underserved area 								
Estimated TDC & NMTC Allocation:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$32,600,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 25,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table>	Budget:	\$32,600,000	Total QEI:	\$ 25,000,000			LADF QEI:	\$ 10,000,000
Budget:	\$32,600,000	Total QEI:	\$ 25,000,000						
		LADF QEI:	\$ 10,000,000						
Potential Sources of Funds:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Capital Campaign:</td> <td style="width: 20%;">\$ 24,600,000</td> <td style="width: 40%;">Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.82 / NMTC):</td> <td>\$ 8,000,000</td> <td>Net NMTC Equity</td> </tr> </table>	Capital Campaign:	\$ 24,600,000	Lev. Loan Eligible	NMTC Equity (\$0.82 / NMTC):	\$ 8,000,000	Net NMTC Equity		
Capital Campaign:	\$ 24,600,000	Lev. Loan Eligible							
NMTC Equity (\$0.82 / NMTC):	\$ 8,000,000	Net NMTC Equity							
Projected Closing:	December 2019								
Current Status:	<ul style="list-style-type: none"> ➤ Sponsor acquired site in March 2018 ➤ Design and permitting is complete ➤ Construction start expected in December 2019 ➤ Genesis LA has committed to the project 								
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 33 Permanent – TBD Construction ➤ Project expected to place 50 families per year into permanent housing and 30 to 40 adults into employment ➤ Up to 60 children under age 5 provided with daycare ➤ 1,000 dental procedures, and 2,000 mental health exams per year ➤ 40 to 60 families provided with legal assistance per year ➤ 1,000 meals served per day in congregate dining area ➤ Residents to receive case management and education classes 								



GOODWILL OF SOUTHERN CA. OFFICE

Developer:	Goodwill of Southern California ("GSC")		
Project Type:	Office / Mixed-Use, New Construction		
Description:	<p>Project includes the new construction & rehabilitation of a total 55,000 SF facility with 3 principal elements:</p> <ul style="list-style-type: none"> • 25,000 SF of e-commerce space for GSC, which will expand e-commerce sales and jobs by 3x, assist in LA Rise program employment, and create a 2MW solar installation • Creation of new 10,000 SF Goodwill Café with training kitchen • Creation of a new 20,000 SF Goodwill retail store 		
Location:	342 N San Fernando Rd, Los Angeles, CA 90031 (CD 1)		
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 32.5% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 49.2% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 36,000,000	Total QEI: \$ 36,000,000 LADF QEI: \$ 9,250,000
Potential Sources of Funds:	Term Loan to Sponsor:	\$ 24,400,000	Lev. Loan Eligible
	NMTC Equity (\$0.83 / NMTC):	\$ 11,600,000	
Projected Closing:	March 2020		
Current Status:	<ul style="list-style-type: none"> ➤ Sponsor controls the site ➤ Entitlements are ongoing, expected Fall 2019 ➤ Construction expected to commence in Q1 2020 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 200 Permanent – TBD Construction ➤ E-commerce expansion with create 150 new jobs for reentry, veteran and special needs populations ➤ Café will train 300 people per annum and prepare them for careers in food service. Café will make food services available to the local community for the first time. ➤ Goodwill retail store will employ individuals with special needs 		



THE BRINE PROJECT

Developer:	Decro Corporation																
Project Type:	Mixed-Use, Primarily New Construction																
Description:	Construction of a new mixed-use project on the site of a former pickle factory in the Lincoln Heights neighborhood of Los Angeles. The project will include the following uses: (1) 30,000 SF grocery store & community retail, providing increased access to fresh, healthy foods in a USDA-Designated Food Desert ; (2) 11,000 SF health clinic operated by Violence Intervention Program (VIP), a nonprofit organization founded in 1984 to provide comprehensive medical, forensic, mental health, advocacy and supportive services to victims of child abuse, neglect, sexual assault, domestic violence and elder abuse; and (3) 3,300 SF pediatric mental health clinic, also operated by VIP, to provide quality therapy services for children who are victims of abuse, many of whom are from the foster care system. Additionally, project adds 97 affordable housing units (<i>NOT financed by NMTCs</i>), of which 49 will be permanent supportive housing units for seniors and transitional-aged youth																
Location:	3000 N. Main Street, Los Angeles, CA 90031 (CD 15)																
Census Tract Eligibility (2010):	<ul style="list-style-type: none"> ➤ 36.6% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 42.4% of Metro/State Median Income (<i>less than 80% and 60%</i>) 																
Estimated TDC & NMTC Allocation:	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">Budget:</td> <td style="width: 20%;">\$ 27,800,000</td> <td style="width: 20%;">Total QEI:</td> <td style="width: 20%;">\$ 27,800,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td>\$ 10,000,000</td> </tr> </table>	Budget:	\$ 27,800,000	Total QEI:	\$ 27,800,000			LADF QEI:	\$ 10,000,000								
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Potential Sources of Funds:	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">CDFI Loan:</td> <td style="width: 20%;">\$ 11,500,000</td> <td style="width: 20%;">Lev. Loan Eligible</td> <td style="width: 20%;"></td> </tr> <tr> <td>Sponsor Equity:</td> <td>\$ 1,000,000</td> <td>Lev. Loan Eligible</td> <td></td> </tr> <tr> <td>Cap. Campaign/Equity Partner:</td> <td>\$ 8,400,000</td> <td>Lev. Loan Eligible</td> <td></td> </tr> <tr> <td>Net NMTC Equity (<i>after cost</i>):</td> <td>\$ 6,900,000</td> <td></td> <td></td> </tr> </table>	CDFI Loan:	\$ 11,500,000	Lev. Loan Eligible		Sponsor Equity:	\$ 1,000,000	Lev. Loan Eligible		Cap. Campaign/Equity Partner:	\$ 8,400,000	Lev. Loan Eligible		Net NMTC Equity (<i>after cost</i>):	\$ 6,900,000		
CDFI Loan:	\$ 11,500,000	Lev. Loan Eligible															
Sponsor Equity:	\$ 1,000,000	Lev. Loan Eligible															
Cap. Campaign/Equity Partner:	\$ 8,400,000	Lev. Loan Eligible															
Net NMTC Equity (<i>after cost</i>):	\$ 6,900,000																
Projected Closing:	October 2020																
Current Status:	<ul style="list-style-type: none"> ➤ Design development is ongoing ➤ Sponsor working to secure LIHTC funding for supportive housing units 																
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 55 Permanent – 50 Construction ➤ Grocery store in a USDA-designated Food Desert ➤ Health center in a Medically Underserved Area 																

