

LADF

LOS ANGELES DEVELOPMENT FUND

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

October 13, 2022

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

OCTOBER 13, 2022

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 - BOARD MEMO regarding NMTC Conference Attendance in New Orleans

Tab 1

AGENDA

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

MEETING BY TELECONFERENCE (AUTHORIZED EXCEPTION TO THE BROWN ACT):

To join via telephone, dial this number: (669) 900-6833 US

Meeting ID: 850 8125 0381

Thursday, October 13, 2022 | 2:30pm – 4:30pm

AGENDA ITEM	PRESENTER	TAB
Welcome and Call to Order	Carolyn Hull	
Roll Call	Sandra Rahimi	
Findings to Continue Teleconference Meetings Pursuant to AB 361	Carolyn Hull	
<p>The Governing Board of the Los Angeles Development Fund and of LADF Management, Inc. to consider a determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members of these Boards, and the ability of the members of all of these Boards' advisory bodies, including, but not limited to, the Advisory Board of the Los Angeles Development Fund, as well as the public who might attend these meetings, to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.</p>		
1 Special Action Item(s):	Carolyn Hull	
a. That the Governing Board of the Los Angeles Development Fund and of LADF Management, Inc. here determine, in accordance with AB 361 Section 3(e)(3), that this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person, and/or state or local officials continue to impose or recommend measures to promote social distancing.		
2 Action Item(s):	Carolyn Hull	
a. Request for Approval of 2022 LADF Budget		Tab 2
b. Request for Approval of Sandra Rahimi to represent LADF at Novogradac's NMTC conference in New Orleans on October 27 and 28, 2022		Tab 3
Request for Future Agenda Items	Carolyn Hull	
Next Meeting Date and Time of Governing Board	Carolyn Hull	
a. Thursday, November 10, 2022, 2:30pm – 4:00pm (via Zoom)		
Public Comment	Carolyn Hull	
<p><u>NOTE:</u> When it is time for public comment: If you joined by phone only. Please press *9 on your phone keypad to raise your hand to be acknowledged for Public Comment. If you joined by clicking on the meeting link and have joined us online, please click the participant icon at the bottom of your screen. This will launch a participant panel, where you will see the "raise hand" icon on the far right side. Please click "raise hand" to be acknowledged for Public Comment.</p>		
Adjournment	Carolyn Hull	

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

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

Tab 2

Los Angeles Development Fund Summary Budget (In Full Dollars) Fiscal Years Ending 12/31/21 and 12/31/22	Approved	Unaudited		Unaudited	Proposed	Annual Budget Projections							
	Budget	P & L	Variance	P & L	BUDGET	2023	2024	2025	2026	2027	2028	2029	
	2021			2022									
Budget Items	Annual Totals			01/01 - 08/31	Annual								
Revenues													
Placement Fees (2017-2020 Allocations)	1	317,000	105,667	(211,333)	470,000	710,000	501,333	-	-	-	-	-	-
SubCDE Asset Mgmt Fees (All Allocations)	1	975,205	968,440	(6,765)	499,259	1,042,455	1,314,663	1,284,674	1,046,070	931,875	600,125	467,458	334,875
Expense Reimbursements		204,000	123,278	(80,722)	31,280	216,000	229,000	229,000	177,000	125,000	125,000	58,000	45,000
Principal Repayments (Loan to Thai CDC)		44,080	-	(44,080)	-	57,041	57,613	58,191	58,775	50,260	-	-	-
Other Income		3,420	1,217	(2,203)	1,462	2,825	2,253	1,675	1,090	220	220	220	220
TOTAL REVENUES		1,543,705	1,198,602	(345,103)	1,002,001	2,028,321	2,104,863	1,573,540	1,282,935	1,107,355	725,345	525,678	380,095
Expenses													
Reimbursable Expenses (SubCDE audit, tax, other)		204,000	123,278	(80,722)	31,280	216,000	229,000	229,000	177,000	125,000	125,000	58,000	45,000
Third-Party Consultants - Compliance, Acctg., NMTC App., etc		381,780	261,219	(120,561)	175,430	392,050	401,440	385,444	345,968	291,872	296,247	227,813	203,278
Payroll Expenses (inc payroll tax)	2	227,270	276,311	49,041	245,217	365,630	430,624	749,127	760,827	760,830	760,830	760,830	760,830
Insurance - D&O and Workers Compensation		22,270	28,639	6,369	29,045	29,500	30,380	31,290	32,230	33,200	34,200	35,230	36,280
Other Administrative Expense		14,930	2,779	(12,151)	9,133	16,870	15,847	13,370	13,400	13,430	13,460	13,490	13,520
TOTAL EXPENSES		850,250	692,227	(158,023)	490,105	1,020,050	1,107,291	1,408,230	1,329,425	1,224,332	1,229,737	1,095,363	1,058,908
Budget Surplus / (Deficit)		693,455	506,375	(187,080)	511,896	1,008,270	997,572	165,309	(46,490)	(116,977)	(504,392)	(569,684)	(678,813)
			<i>Actual</i>		<i>Actual</i>	<i>Projected</i>							
Cash as of January 1st			<u>\$3,809,670</u>		<u>\$4,316,045</u>	<u>\$4,316,045</u>							
Cash as of December 31st			<u>\$4,316,045</u>		<u>\$4,827,941</u>	<u>\$5,324,315</u>	<u>\$6,321,887</u>	<u>\$6,487,197</u>	<u>\$6,440,707</u>	<u>\$6,323,730</u>	<u>\$5,819,338</u>	<u>\$5,249,654</u>	<u>\$4,570,841</u>
					<i>As of 8/31/22</i>								

¹ Projections for Placement Fees and SubCDE Asset Management Fees assume that the remaining \$37.1mm of 2020 Allocation is invested in 2022 and 2023 as follows:

- > \$12mm in Q4 2022
- > \$25.1mm in Q4 2022

² Projections for Payroll Expenses assume that the LADF Associate position begins on November 1, 2022 and a new Executive Director position is created and filled by January 2024.

Tab 3

MEMORANDUM

TO: LADF Board of Directors
FROM: Sandra Rahimi, LADF Secretary
DATE: October 13, 2022
SUBJECT: Novogradac's NMTC Conference in New Orleans on October 27 and 28, 2022

RECOMMENDATION

That the Los Angeles Development Fund (LADF) Governing Board of Directors authorizes Sandra Rahimi to represent LADF at Novogradac's NMTC conference in New Orleans, Louisiana on October 27 and 28, 2022. Cost for the conference would be paid from LADF's marketing budget.

SUMMARY AND BACKGROUND

Novogradac is one of the two largest CPA firms in the NMTC industry. Its conferences are well attended by all categories of industry experts and staff attendance will provide invaluable marketing opportunities for the LADF. The conferences are attended by developers, investors, CDFI Fund staff and other NMTC allocatee partners. The conferences also provide up-to-date information on the status of the NMTC program and industry best practices. They are also a great opportunity to hear about projects and build relationships with the potential partners active in the NMTC world. LADF has developed a presence at these industry conferences, where LADF representatives often attend several meetings to voice City support of projects located in Los Angeles. This industry exposure resulted in a very strong LADF pipeline for LADF's previous NMTC applications.

Cost

The main conference is officially scheduled for October 27 and 28, inclusive; many networking events are scheduled for October 26th, the evening before the main conference's official commencement, so Ms. Rahimi would require two nights of hotel (October 26 and 27) and two days of travel (October 26 and 28). She would attend the conference and networking events on behalf of LADF. The total cost for the New Orleans conference is currently estimated at \$1,860, calculated as follows:

Description	Cost (\$)
Conference Fee ¹	\$ 0
Airfare	\$ 600
Baggage Fee	\$ 80
Hotel (<i>approx. \$237+tax per night for 3 nights</i>)	\$ 826
Taxi	\$ 220
<i>Per diem</i> ²	\$ 134
TOTAL	\$ 1,860

DISCUSSION

At the conference, QALICBs and consultants will be discussing projects looking for allocation from the upcoming round. The conference will expose LADF to additional City of Los Angeles projects beyond its current pipeline for investment from LADF's existing allocation, possible allocation award from the 2021 application, and in anticipation of the next application to be released. These projects will provide

¹ Novogradac has agreed to waive the \$675 conference fee.

² Based on U.S. General Services Administration per diem amounts (October 2022) for meals and incidental expenses in New Orleans, LA (excluding breakfast for both conference days and lunch on the day of the full conference)

alternatives if the projects in LADF's pipeline stall and build a future pipeline in the event LADF is awarded additional NMTC.

This conference, which has attendance drawn both statewide and nationwide, is an important venue for this work.

ATTACHMENTS

Novogradac NMTC Conference New Orleans – Agenda

Agenda At-A-Glance

Oct. 26

9 am-4 pm

NMTC 101: The Basics -additional fee applies

Oct. 27

8-9 am

Registration and Breakfast/Login

9-9:15 am

Conference Welcome

9:15-10:45 am

Washington Report

10:45-11 am

Balance Break

11 am-Noon

Investors, Inflation and Your Development

Noon - 1:15 pm

Networking Lunch

1:30-2:30 pm

Investing in Change

2:30-2:45 pm

Balance Break

Oct. 27 (cont.)

2:45-3:45 pm

QALICB Insights

3:45-4 pm

Balance Break

4-5 pm

Award Winner Case Studies

5-6 pm

Networking Reception

Oct. 28

8-9 am

Registration and Breakfast/Login

9-9:55 am

CDFI Fund Updates

10-10:55 am

NMTC Investment Opportunities

11-12 pm

NMTC Hot Topics