

LADF

LOS ANGELES DEVELOPMENT FUND

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

April 19, 2023

**MEETING of the
GOVERNING BOARD OF DIRECTORS of
THE LOS ANGELES DEVELOPMENT FUND and LADF MANAGEMENT, INC.
April 19, 2023**

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2	LADF Board Meeting Minutes for meeting on March 21, 2023
3	Materials regarding Discussion Item A: Pipeline Update

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AGENDA

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

**MEETING IN PERSON
City Hall, Room 1050
200 N Spring St, Los Angeles, CA 90012
Wednesday, April 19, 2023 | 11:30am – 1:00pm**

	AGENDA ITEM	PRESENTER	TAB
	Welcome and Call to Order	Carolyn Hull	
	Roll Call	Sandra Rahimi	
1	Approval of minutes for Board Meeting(s) on: a. March 21, 2023	Sandra Rahimi	Tab 2
2	Action Item(s): Request for Authorization of LADF staff to issue a Letter of Interest to the Jessie Lord Bakery project for providing up to \$8 Million of New Markets Tax Credit Allocation. LADF will have the option to rescind the Letter of Interest if the sponsor cannot provide evidence that all leverage sources are identified and committed by July 1, 2023. LADF will also have the option to rescind the Letter of Interest if the proposed transaction has not closed by October 31, 2023.	Carolyn Hull	
3	Discussion Item(s): a. Pipeline Update	Sandra Rahimi	Tab 3
4	Closed Session Item(s): a. LADF Staff Benefit - Insurance	Carolyn Hull	
5	Request for Future Agenda Items Next Meeting Date and Time of Governing Board a. Thursday, May 11, 2023, 2:30pm – 4:00pm	Carolyn Hull	
	Public Comment	Carolyn Hull	
	Adjournment	Carolyn Hull	

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

For Agendas and Board Packages, please visit: www.ladfnewmarkets.org

Tab 2

LOS ANGELES DEVELOPMENT FUND
MINUTES OF THE JOINT MEETING OF THE GOVERNING BOARD OF LADF AND LADF MANAGEMENT, INC.
AND THE ADVISORY BOARD OF LADF AND LADF MANAGEMENT, INC.
TUESDAY, MARCH 21, 2023

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

LADF STAFF PRESENT:

- Sandra Rahimi
- Jiaqi Wu

WELCOME AND CALL TO ORDER – Los Angeles Development Fund (LADF) Director Hull called the meeting to order at **11:41am**.

ROLL CALL

The following Governing Board directors were present at the meeting:

- Director Hull (*Chairperson*)
- Director Esparza (arrived 11:54am)
- Director Kalfayan
- Director Sewill

A QUORUM WAS PRESENT

The following Advisory Board directors were present at the meeting:

- Director Williams (*Chairperson*)
- Director Thrash-Ntuk
- Director Volpert
- Director Albert (arrived 11:55am)
- Director Turner

A QUORUM WAS PRESENT

1. Findings to Continue Teleconference Meetings Pursuant to AB 361

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.

Special Action Item(s): 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.

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

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

a. January 12, 2023

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

3. DISCUSSION ITEMS

➤ DISCUSSION ITEM (A) – PIPELINE UPDATE – JESSIE LORD BAKERY

- Alison Paige, the project representative, along with General Manager Sean Lee and Production Supervisor Gloria Knowles, presented the project and answered the questions raised by both the governing and advisory board.
- Advisory Board supported the proposed project.

4. ACTION ITEMS

a. Request for Authorization for LADF President, or his or her delegate, to execute documents to effectuate a \$10,000,000 Sub-Allocation of New Markets Tax Credits for the California Science Center Project.

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

5. CLOSED SESSION ITEMS

a. LADF Staff Benefit - Insurance

REQUEST FOR FUTURE AGENDA ITEMS

- Outreach to new Council offices
- Reinvest LADF's earned fee
- Presentation about NMTC to Economic and Jobs Committee
- Consideration of LADF providing NMTC allocation to the Jessie Lord Bakery project.

NEXT MEETING DATE AND TIME

- April 19, 2023 at 11:30pm

PUBLIC COMMENT

- None.

ADJOURNMENT

- Meeting was adjourned at **12:51 pm**.

Tab 3

LADF

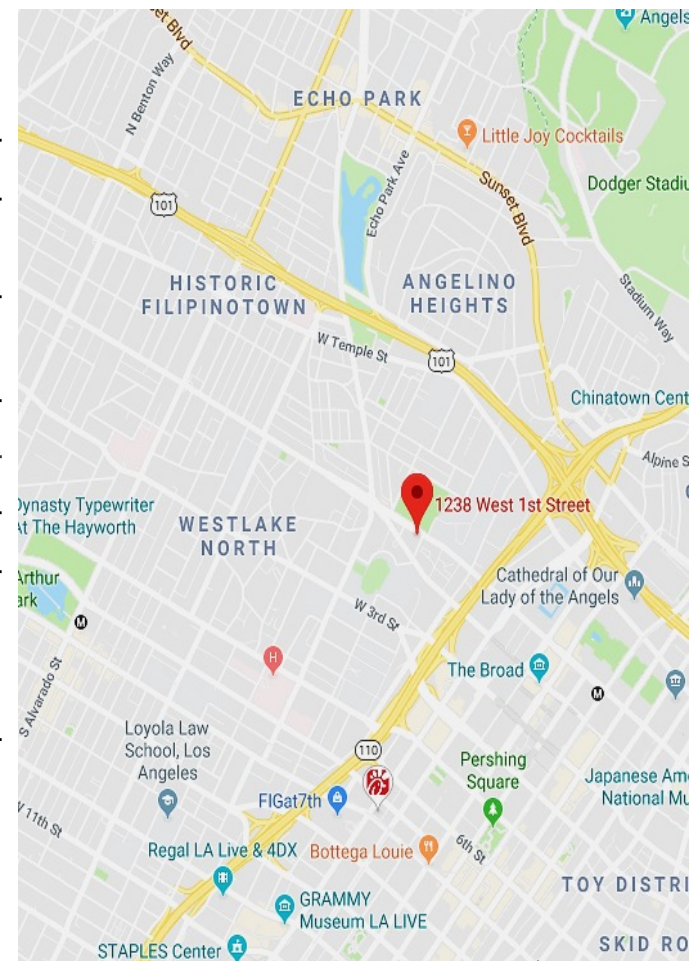
LOS ANGELES DEVELOPMENT FUND

PIPELINE PROFILES

LADF Board Meeting
April 2022

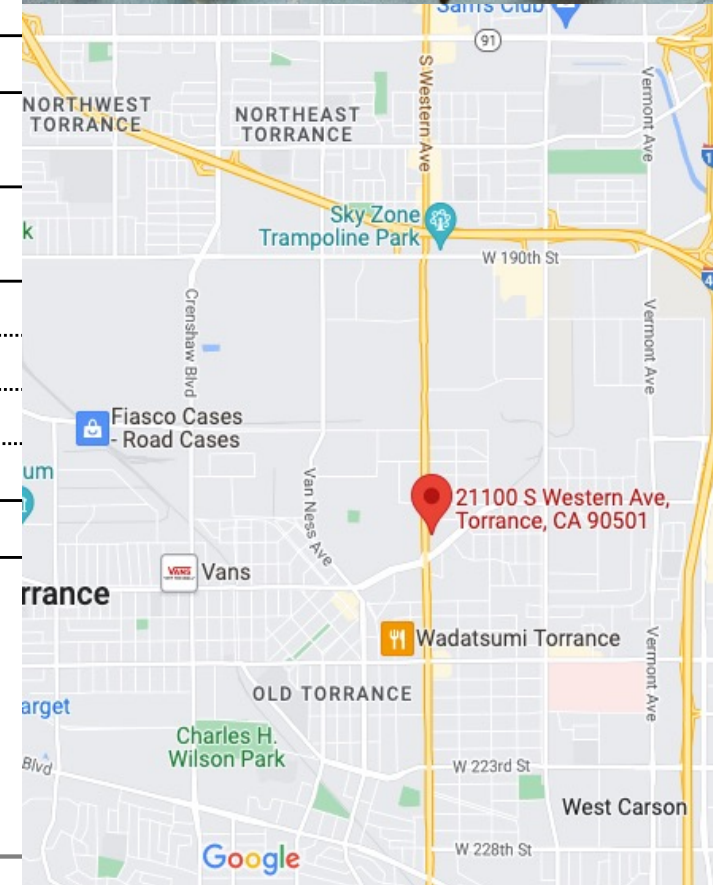
SHAKESPEARE CENTER OF LOS ANGELES

Developer:	The Shakespeare Center of Los Angeles, Inc.		
Project Type:	Live Theater/Arts Facility, Substantial Rehabilitation		
Description:	Project will repurpose 22,000 SF in the Westlake neighborhood of Los Angeles into a fully equipped convertible rental income generating sound stage, 300 seat theater, cultural and educational enrichment facility, as well as workforce training center. The sponsor's programs focus on employment and empowerment of poverty-threshold youth 15-24 and chronically unemployed and honorably discharged military veterans. The new community cultural facility will provide sponsor with the space and amenities to offer its programs year-round, enabling the expansion of the number of paid program participants.		
Location:	1238 W 1st Street, Los Angeles, CA 90026 (CD 1)		
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 33.2% Poverty Rate (greater than 20% and 30%) ➤ 47.8% of Metro/State Median Income (less than 80% and 60%) 		
Estimated TDC/ NMTC Allocation:	TDC:	\$ 12,000,000	Total QEI: \$ 12,000,000 LADF QEI: \$ 12,000,000
Potential Sources of Funds:	Capital Campaign (grants):	\$ 8,500,000	Lev. Loan Eligible
	NMTC Equity (\$0.79 / NMTC):	\$ 3,690,000	
Projected Closing:	June/ July 2023		
Current Status:	<ul style="list-style-type: none"> ➤ \$5 million in grants secured from State of CA ➤ \$3 million grant from Ahmanson is received, another \$1.25 million will be received by the end of April ➤ General Contractor is selected 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 99 Permanent (16 ret. / 83 new) ➤ New jobs created for 120 youth and 40 veterans per year ➤ Provide equally accessible cultural enrichment to 18,000 students and 2,000 veterans annually ➤ Provide work-readiness training to the students 		



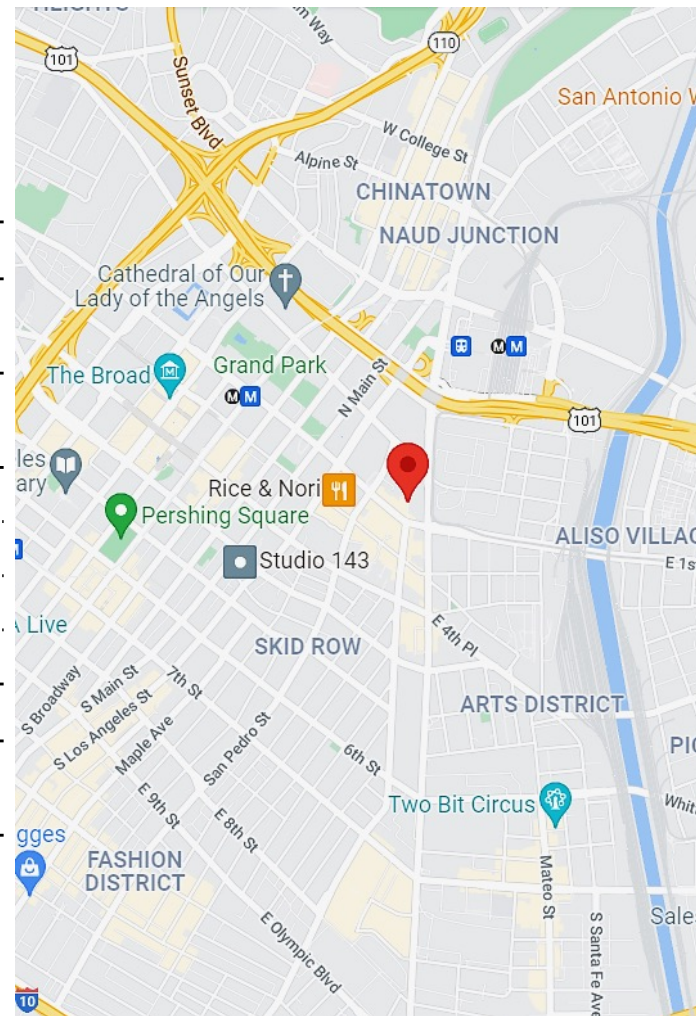
Jessie Lord Bakery

Developer:	Jessie Lord Bakery						
Project Type:	Minority Own Business ; Equipment Purchase						
Description:	Jessie Lord Bakery is a 38 year old, minority-owned and -led company that is one of the largest pie manufacturers in the country. Originally founded in 1984 as Country Home Bakery, the company was rescued from bankruptcy and renamed Jessie Lord Bakery in 2003. Today, the company makes 25 million pies per year, employs approximately 300 employees at peak times, and is profitable. NMTC QLICs will be used to replace the refrigeration and boiler equipment for an existing pie manufacturer. The new equipment will take the place of existing equipment that is both harmful to the environment and cost prohibitive to maintain. The equipment will allow the 38 year old company to remain in business and to produce 25 million pies/year.						
Location:	21100 S. Western Ave, Torrance, CA 90501 (CD 3)						
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 34.20% Poverty Rate (<i>greater than 20%</i>) ➤ 52.82% 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: 33%;">Budget: \$20,000,000</td> <td style="width: 33%;">Total QEI: \$ 20,000,000</td> <td style="width: 33%;"></td> </tr> <tr> <td></td> <td>LADF QEI: \$ 8,000,000</td> <td></td> </tr> </table>	Budget: \$20,000,000	Total QEI: \$ 20,000,000			LADF QEI: \$ 8,000,000	
Budget: \$20,000,000	Total QEI: \$ 20,000,000						
	LADF QEI: \$ 8,000,000						
Potential Sources of Funds:	Hard Loan : \$ 8,800,000 Lev. Loan Eligible						
	Leverage loan: \$14,000,000 Lev. Loan Eligible						
	NMTC Equity (\$0.76 / NMTC): \$ 5,900,000						
Projected Closing:	Q2 2023						
Current Status:	➤ construction expected to be completed by June 2023						
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 65 Permanent (FTE) ➤ Preserve up to 300 full-time jobs (40 permanent employees; 260 temp workers) ➤ Community Giving/ Food bank donations: donates over 13,000 pies every year ➤ Environmental Sustainability : Reduce annual electricity and natural gas usage by 22% and 16% respectively. 						



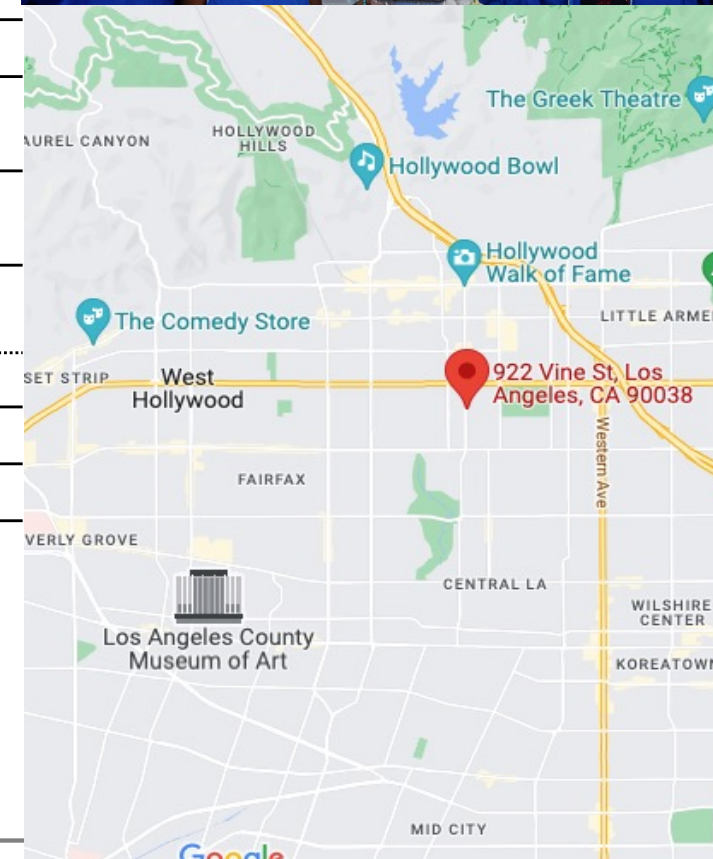
First Street North (Go for Broke)

Developer:	Little Tokyo Service Center												
Project Type:	Community Facility/Retail, New Construction												
Description:	The project is the construction of the commercial component of the Go for Broke Apartments project, providing 30,000 SF for legacy small businesses and nonprofit community organizations in the Little Tokyo neighborhood of Los Angeles. The project will include 20,000 SF of ground floor commercial/retail and community organization space and 10,000 SF ground floor space for a permanent space for the Go for Broke National Education Center ("GFBNEC"). GFBNEC is a nonprofit organization that provides educational programs about the history of the Japanese American veterans of World War II. The overall development plan also includes 248 affordable housing units, with supportive housing set-asides for homeless veterans (financed separately, not part of the NMTC project). The development will also include 20,000 SF of urban green spaces and 10,000 SF of separately-owned and -financed performance space for East West Players, the nation's premier Asian American theater.												
Location:	200 North Central Avenue, Los Angeles, CA 90012 (CD 14)												
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 45.2% Poverty Rate (greater than 20% and 30%) ➤ 38.3% of Metro/State Median Income (less than 80% and 60%) 												
Estimated TDC & NMTC Allocation:	<table border="0" style="width: 100%;"> <tr> <td>Budget:</td> <td style="text-align: right;">\$ 23,700,000</td> <td>Total QEI:</td> <td style="text-align: right;">\$ 23,000,000</td> </tr> <tr> <td></td> <td></td> <td>LADF QEI:</td> <td style="text-align: right;">\$ 7,000,000</td> </tr> </table>	Budget:	\$ 23,700,000	Total QEI:	\$ 23,000,000			LADF QEI:	\$ 7,000,000				
Budget:	\$ 23,700,000	Total QEI:	\$ 23,000,000										
		LADF QEI:	\$ 7,000,000										
Potential Sources of Funds:	<table border="0" style="width: 100%;"> <tr> <td>Term Loan:</td> <td style="text-align: right;">\$ 6,750,000</td> <td style="text-align: right;">Lev. Loan Eligible</td> </tr> <tr> <td>State AD 53 Funds:</td> <td style="text-align: right;">\$ 5,000,000</td> <td style="text-align: right;">Lev. Loan Eligible</td> </tr> <tr> <td>Capital Campaign (in progress):</td> <td style="text-align: right;">\$ 5,250,000</td> <td style="text-align: right;">Lev. Loan Eligible</td> </tr> <tr> <td>NMTC Equity (\$0.75 / NMTC):</td> <td style="text-align: right;">\$ 6,700,000</td> <td></td> </tr> </table>	Term Loan:	\$ 6,750,000	Lev. Loan Eligible	State AD 53 Funds:	\$ 5,000,000	Lev. Loan Eligible	Capital Campaign (in progress):	\$ 5,250,000	Lev. Loan Eligible	NMTC Equity (\$0.75 / NMTC):	\$ 6,700,000	
Term Loan:	\$ 6,750,000	Lev. Loan Eligible											
State AD 53 Funds:	\$ 5,000,000	Lev. Loan Eligible											
Capital Campaign (in progress):	\$ 5,250,000	Lev. Loan Eligible											
NMTC Equity (\$0.75 / NMTC):	\$ 6,700,000												
Projected Closing:	2023 Q3												
Current Status:	<ul style="list-style-type: none"> ➤ Design development is ongoing ➤ In the process of LITHC Application 												
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 60 Permanent (40 ret. / 20 new) – 43 Construction ➤ Below market rents offered to local minority-owned business at risk of being priced out of the Little Tokyo neighborhood ➤ Project will add arts and cultural spaces ➤ Sponsor and all tenants confirmed to date are minority-owned 												



Angel Food

Developer:	Project Angel Food (a non-profit organization)		
Project Type:	Community Facilities Expansion		
Description:	<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 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. This project involves the renovation of Project Angel Food's 15,000 SF facility and new construction of a 15,000 SF building directly across the street. The new 30,000 SF campus will allow Project Angel Food to triple the number of meals it serves for low-income people annually. The employment rate is 16.60 % .</p>		
Location:	922 Vine Street, Los Angeles CA 90038 (CD 13)		
Census Tract Eligibility (2015-16):	<p>➤ 32.10% Poverty Rate (<i>greater than 20%</i>)</p> <p>➤ 45.10% of Metro/State Median Income (<i>less than 80% and 60%</i>)</p>		
Estimated TDC & NMTC Allocation:	Budget:	\$40,000,000	Total QEI: \$ 40,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Debt & Equity: (<i>awaiting further details</i>)	\$	Lev. Loan Eligible
	NMTC Equity (\$0.75 / NMTC):	\$	
Projected Closing:	2024		
Current Status:	➤ construction expected to be completed by March 2023		
Community Benefits/Impact:	<p>➤ Job Creation :20 FTE ; Job retention : 94</p> <p>➤ Serving 5000 clients every year</p> <p>➤ Community good and service: providing medically tailored meals for food insecure low-income people in Los Angeles</p>		



TREEHOUSE CRENSHAW

Developer:	Treehouse Leimert PropCo, LLC		
Project Type:	Community Focused Mixed-Use Development ; New Construction		
Description:	Located within the master planned Destination Crenshaw neighborhood, the 113,954 SF mixed-use project will offer 146 bedrooms across 40 co-living micro units and 60 traditional apartment units as well as a market food hall incubating 15 local vendors and a restaurant. The Sponsor has a target of 11% of the total units designated for ELI individuals, while 69% of units are affordable at 80% AMI. The unemployment rate for the neighborhood is 23.40. The project model has received national recognition and a term sheet for debt-financing.		
Location:	4421-27 Crenshaw Blvd, Los Angeles, CA (CD 8)		
Census Tract Eligibility (2015-16):	<ul style="list-style-type: none"> ➤ 26.60 % Poverty Rate (<i>greater than 20%</i>) ➤ 50.03% of Metro/State Median Income (<i>less than 80% and 60%</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 71,200,000	Total QEI: \$ 30,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Leverage Loan A (Debt Proceeds)	\$ 20,940,000	Lev. Loan Eligible
	NMTC Equity (\$0.75 / NMTC):	\$ 9,360,000	
Projected Closing:	2023		
Current Status:	➤ Confirming the development plans		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 50 Permanent – 250 Construction ➤ Incubator space for 15 local vendors and targeted 80% affordable units ➤ Brings commercial goods and services to low-income communities with local vendors and restaurant ➤ 11% of the total units designated for ELI individuals, while 69% of units are affordable at 80% AMI 		

