September 01, 2026

The Honorable Board of Commissioners
Los Angeles County
Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVAL OF FUNDING FOR PERMANENT FINANCING FOR TOGETHER CALIFORNIA, INC. FOSTER CARE VILLAGE LOCATED IN THE CITY OF PALMDALE (DISTRICT 5) (3 VOTES)

SUBJECT

This letter recommends that the Board approve a loan of $3,000,000 from the Coronavirus Aid, Relief, and Economic Security (CARES) Economic Development Administration (EDA) Revolving Loan Fund to provide permanent financing for the development of a village by Together California, Inc. to serve children in foster care.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that approval of funding for this project is not subject to the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record.

2. Approve a loan to Together California, Inc. in the amount of $3,000,000 to provide permanent financing to refinance a $3,100,000 bridge loan from Community Impact Loan Fund, Inc.

3. Authorize the Executive Director or designee to negotiate, execute, and if necessary, amend, or reduce the loan agreement with Together California, Inc., or an LACDA-approved assignee, and all related documents, and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the development, following approval as to form by County Counsel.

4. Authorize the Executive Director or designee to incorporate $3,000,000 in CARES EDA Revolving Loan funds into LACDA's approved Fiscal Year 2026-2027 budget for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Together California, Inc. (Borrower) is a nonprofit organization that develops villages to provide a nurturing environment for children in California's foster care system. The villages allow siblings to live together in individual houses surrounding a central community facility. Trained foster parents, whose sole responsibility is to care for sibling orphans, provide dedicated support. The 4.7-acre project in Palmdale will serve the Antelope Valley area, where approximately 30% of sibling groups consist of four or more children, and 16% of placements involve five or more siblings.

The Borrower obtained a $3,100,000 bridge loan from Community Impact Loan Fund, Inc. to cover increased construction costs related to inflation and tariffs. The term of the bridge loan is for six months, estimated to be December 2026.

Approval is requested to ensure that the project can be completed and begin operations.

FISCAL IMPACT/FINANCING

The recommended loan will provide $3,000,000 in CARES EDA Revolving Loan funds which will be incorporated into LACDA's approved Fiscal Year 2026-2027 budget for the purposes described herein. The CARES EDA Revolving Loan Fund was part of the U.S. Economic Development Administration's response to the COVID-19 pandemic to support economic development assistance programs to help communities. This includes providing revolving loans to targeted businesses, industries, or underserved areas, such as economically distressed communities, and to fill funding gaps where conventional lending did not meet financing needs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In June 2026 the LACDA Credit Committee approved a request for $3,000,000 from the Borrower to provide permanent financing for its foster children village project in Palmdale. The loan will require that the existing Housing Authority of Palmdale loan ($1,200,000) and the LACDA acquisition loan ($500,000) be subordinated to this loan. The loan term will be for 20 years.

The loan agreement and related documents will require the Borrower to close on the bridge financing loan from Community Impact Loan Fund, Inc.; and to meet other requirements outlined by the Credit Committee. As a requirement under the CARES EDA Revolving Loan Fund, the Borrower must retain and/or create one (1) full-time equivalent (FTE) job per $75,000 of loan funds. This loan will require a minimum of 40 FTEs. The Borrower is projecting an additional 39 new FTE jobs (5 administration/operations) and 34 new family services jobs when fully operational. When the 11 part-time employees in family services working 25 hours per week are converted to FTE (40 hours per week), an additional 6.875 FTEs will be added. Total job creation is projected at 46 FTEs.

Repayment of the proposed LACDA loan will come from a Los Angeles County Department of Children and Family Services (DCFS) contract using the Innovative Care Model (ICM) rate valued at $5,372,800 annually. The ICM is not yet confirmed by DCFS and is therefore a condition of closing this proposed LACDA loan. In addition, donor contributions and interest income will be used to pay back the loan.

A first mortgage lien on the property site, subject to a LACDA appraisal of at least $4,000,000 as completed, will serve as the loan collateral.

This letter recommends that the Executive Director, upon approval by County Counsel, have the authority to execute and amend loan agreements, as needed, with the Borrower. Amendments may be necessary in cases where project specifics change after execution of the loan agreement.

ENVIRONMENTAL DOCUMENTATION

The proposed action to provide permanent financing is not a project pursuant to CEQA because the activities that are excluded from the definition of a project by Section 15378 (b) of the State CEQA guidelines. The proposed actions are administrative activities of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The requested action will increase employment and the supply of foster care units in Los Angeles County.

Respectfully submitted,

Emilio Salas
Executive Director

ES:LJ:rw