

AD HOC ON COMPREHENSIVE JOB CREATION PLAN COMMITTEE REPORT relative to expenditure guidelines for the Economic Development Trust Fund (EDTF).

Recommendations for Council action:

1. APPROVE the recommended guidelines for the expenditure of funds from the EDTF proposed by the Economic Workforce Development Department (EWDD), as attached to the report to the City Administrative Officer (CAO) dated October 4, 2016, and as amended to include the following:
  - a. Only projects on City-owned properties will be forwarded to the Municipal Facilities Committee for review and approval.
  - b. Add assistance to small businesses under the eligible project categories.
  - c. Require Council approval for all EDTF funding allocation.
2. INSTRUCT the EWDD to report annually to Council and the Mayor on the status of the EDTF including, but not limited to:
  - a. Amount of economic development incentives anticipated to be attained, or otherwise owing, for each project for the upcoming fiscal year.
  - b. The maximum anticipated balance of incentives for each project over the term of the project agreement(s).
3. INSTRUCT the CAO and EWDD, with the assistance of the Chief Legislative Analyst (CLA), to report with a detailed property review and evaluation process for economic development opportunity sites modeled after the Affordable Housing Opportunity Sites process.
4. INSTRUCT the CLA to report on the EDTF guidelines and strategies for increasing the fund's revenue.

Fiscal Impact Statement: The EWDD reports that approving the above recommendations will result in the allocation of fifty percent of the sale or lease proceeds to the EDTF from City-owned properties that have been designated by Council for economic development use. The remaining fifty percent will be deposited in the Real Property Trust Fund of the Council District in which the proceeds were generated. Such diversion of Council approved sale or lease funds will result in reduced monies to the General Fund. The amount of sale or lease proceeds that will be deposited into the EDTF and Council District Real Property Trust Funds is unknown at this time.

Community Impact Statement: None submitted.

## SUMMARY

Accompanying a report to the CAO dated October 4, 2016, the EWDD presents guidelines for

EDTF expenditures. To better leverage City properties for sustainable economic development and job creation, and to facilitate an asset based approach to economic development, EWDD recommends the use of EDTF funds for the revitalization of former Community Redevelopment Agency of the City of Los Angeles project areas, areas with unemployment levels that exceed the City average, areas where the average income is lower than the City, designated Federal, State and local economic development zones, and for projects generating a significant number of net new jobs in the City. The recommended EDTF expenditure guidelines will provide the funding to enact the economic framework to achieve revitalization through gap financing, property acquisition, property enhancement, and economic development.

At its special meeting held May 29, 2020, the Ad Hoc on Comprehensive Job Creation Plan Committee discussed this matter with EWDD staff. Department staff listed the various factors that determine the best use of City-owned properties: changing market forces, zoning restrictions, and development and policy objectives. The Ad Hoc Committee recommended that Council approve the EWDD recommendations, as amended to include additional EDTF guidelines, as shown above, and to request reports from various City Departments and offices relative to a detailed property review and evaluation process for economic development, and strategies for increasing the EDTF revenue.

Respectfully Submitted,

AD HOC ON COMPREHENSIVE JOB CREATION PLAN COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
BLUMENFIELD:	YES
HARRIS-DAWSON:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**