

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the Los Angeles Development Fund's (LADF) 2017 application for a New Markets Tax Credit (NMTC) allocation.

Recommendations for Council action, pursuant to Resolution (Wesson - Price):

1. CERTIFIES that the City of Los Angeles:
 - a. Supports the LADF's 2017 application for a NMTC allocation.
 - b. Is the Controlling Entity of the LADF.
2. AUTHORIZE the City Clerk to sign the application on behalf of the City of Los Angeles.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On June 13, 2017, your Committee considered a Resolution (Wesson - Price) relative to the LADF's 2017 application for a New Markets Tax Credit allocation. According to the Resolution, the LADF, a non-profit Community Development Entity (CDE), was formed to apply for and manage an allocation of NMTCs on behalf of the City. NMTCs are used to facilitate economic development in low-income communities through retail, industrial, and mixed use projects. In 2007 and 2012, the LADF was awarded a \$75 million allocation and \$50 million allocation of NMTCs, respectively, to help fund private commercial real estate (retail, industrial and mixed use) projects in low-income communities. The LADF has fully expended its 2007 and 2012 allocations on projects including:

- a. Anderson Munger Family YMCA (\$12.5 million)
- b. One Santa Fe Commercial (\$15 million)
- c. Discovery Science Center of Los Angeles/Children's Museum (\$10 million)
- d. La Kretz Innovation Campus (\$10 million)

In 2016, the LADF was awarded an additional \$50 million allocation of NMTC to help fund private commercial real estate (retail, industrial and mixed use) and is in the process of reviewing projects for funding, including:

- a. Anita May Rosenstein Campus (\$10 million)
- b. Budokan of LA (\$10 million)
- c. Jordan Downs Retail Center (\$30 million)

d. Orthopedic Institute for Children (\$10 million)

e. Thai Town Marketplace (\$4 million)

The LADF intends to apply for an allocation in an amount up to \$80 million before the application deadline of June 21, 2017. The City as "Controlling Entity," appoints 100 percent of the LADF Governing Board and is required to sign the NMTC application and the City desires to continue and expand the NMTC program. The City has previously supported LADF's applications for NMTCs in 2001, 2012, 2013, 2014, and 2015.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Resolution as detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS-DAWSON:	YES
KREKORIAN:	ABSENT
O'FARRELL:	ABSENT

ARL
6/13/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-