

CITY OF LOS ANGELES

CALIFORNIA

JAN PERRY
GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT



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June 6, 2017

Council File: 14-1174-S15
Council District Nos.: 13
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Economic Development Committee
Los Angeles City Council
c/o Adam Lid
City Clerk
Room 395, City Hall

COMMITTEE TRANSMITTAL: REQUEST COMMITTEE REVIEW AND RECOMMENDATION TO COUNCIL TO APPROPRIATE \$763,900 IN CRA/LA NON-HOUSING EXCESS BOND PROCEEDS FROM THE HOLLYWOOD REDEVELOPMENT PROJECT AREA, TAXABLE SERIES "E", FOR BUSINESS ASSISTANCE (THAI TOWN MARKETPLACE PHASE I DEVELOPMENT) – SUPPLEMENTAL REPORT

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD), or designee, respectfully requests that the City Council and Mayor:

1. NOTE AND FILE this supplemental report dated June 6, 2017, as it is provided for additional information purposes only and no Council action is necessary; and
2. ADOPT the CRA/LA Bond Oversight Committee report, dated November 7, 2016 (C.F. 14-1174-S15).

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA Non-Housing Excess Bond Proceeds (EBP). The EBP Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). Said transfer has been deposited with the Office of the Controller.

SUMMARY

The CRA/LA Bond Oversight Committee (BOC) report (City Administrative Officer 0111-31341-0006, dated November 7, 2016) was referred to the Economic Development

Committee on November 8, 2017. The report was heard at the Economic Development Committee on December 13, 2017, and Continued to/for a date to be determined. (C.F. 14-1174-S15).

This report is being transmitted to provide supplemental information relating to the original BOC report dated November 7, 2016 and is intended to provide updates on the changes made to Thai Town's Phase I and II project development costs, including funding sources, which are summarized below.

DISCUSSION

City Council adopted Council District 13's Motion (C.F. 14-1174-S15) on September 6, 2016 to provide EBP assistance up to \$1,200,000 for the Thai Town Marketplace project. The original Phase I budget consisted of the following:

Foundation Grants	\$824,821
Loan – LISC	\$500,000
Loan – VEDC	\$ 30,000
City of LA CDBG	\$892,200
CRA/LA EBP	<u>\$763,900</u>
Total	\$3,010,921

The CRA/LA Bond Oversight Committee approved on October 27, 2016 an immediate appropriation of \$763,900 to facilitate Phase I development which had broken ground in September 2016. The remaining \$436,100 EBP would be considered when Phase II was ready to proceed.

The EWDD has since been working with the Los Angeles Development Fund (LADF) to identify potential funding sources to assist with gap funding for both phases of the development. LADF was successful in securing a \$4,000,000 New Markets Tax Credit (NMTC) investor (Chase Bank) to provide tax credit equity for the project. Pursuant to their Board's approval on May 19, 2017, LADF issued a Letter of Interest (LOI) for both Phase I and Phase II development of the project.

The proposed NMTC transaction funding sources are as follows:

Chase Bank	\$1,537,800
City of LA CDBG	\$892,200
CRA/LA EBP	\$763,900
City of LA AB1290	\$436,100
LADF Loan	<u>\$370,000</u>
Total	\$4,000,000

The LADF LOI requires proof of all financing commitments to be in place by June 30, 2017. Transaction closing date is targeted for July 28, 2017.


 JAN PERRY
 General Manager

JP:MDC:SH:DH:MMS