

# MOTION ECONOMIC DEVELOPMENT & JOBS

The San Pedro Community Plan envisions the addition of approximately 4,500 housing units across multiple income levels and approximately 5,000 new jobs within the community over the next 15 to 20 years. However, much of the core infrastructure within the community, particularly surrounding housing opportunity sites such as Rancho San Pedro, a 20-acre public housing site adjacent to downtown San Pedro, is insufficient to support this expected and much-needed growth. Investments in affordable housing, housing-supportive infrastructure, and facilities benefitting the small business community, streets, sidewalks, parks, and other public amenities can have a catalytic effect on economic development in San Pedro.

Enhanced Infrastructure Financing Districts (EIFD), which are funded by future property tax revenue increment allocations from both the City and County, can generate revenues to support such infrastructure, affordable housing, and community revitalization improvements.

In 2018, the Southern California Association of Governments (SCAG) retained consulting firm Kosmont Companies to evaluate several regions for feasibility of implementation of tax increment financing (TIF) mechanisms such as EIFDs to support housing production and sustainable infrastructure investment. The San Pedro community was among the communities to meet SCAG's preliminary screening criteria.

On June 5, 2019, Council approved recommendations from an Economic Development Committee report that instructed the Economic and Workforce Development Department (EWDD), with the assistance of the Chief Legislative Analyst, to prepare a report with the necessary steps to initiate and form an EIFD in San Pedro, including a Resolution of Intention to form the EIFD's governing Public Financing Authority (PFA) (C.F. 19-0408). On April 7, 2021, Council adopted Resolution (Buscaino, O'Farrell - Bonin) to include in the City's 2021-2022 State Legislative Program support for legislation or administrative action that would allow an EIFD and Community Revitalization and Investment Authority board members to designate alternates (C.F. 21-0002-S49).

Since that time, economic conditions and other circumstances have changed due to the COVID-19 pandemic and other factors. The City, in collaboration with the Housing Authority of the City of Los Angeles, was fortunate to receive an additional technical assistance grant from SCAG in 2022 through the Regional Early Action Plan (REAP) program, and SCAG again retained Kosmont Companies through a competitive bidding process to prepare an updated EIFD Feasibility Analysis in San Pedro, and to assist with EIFD formation activities, subject to Council approval.

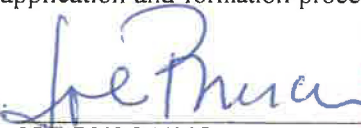
The updated analysis by Kosmont determined that a San Pedro EIFD would have the capacity to fund between approximately \$70 million and \$230 million in eligible project costs in San Pedro, including infrastructure to support affordable housing projects such as the redevelopment of Rancho San Pedro and other housing projects, facilities benefitting the small business community, streets, sidewalks, parks, and other public amenities, providing long-term positive fiscal and economic impacts for the City and County. It also includes a potential roadmap for EIFD formation in alignment with the 2019 motion, including specific tasks required by the County of Los Angeles for its evaluation of partnership with the City.

Action is needed to authorize EWDD to develop and submit an EIFD participation application package to the County that would identify potential projects and contribution rates. After submission of the participation application package and discussions with County staff, EWDD would present the application to the County's Economic Development Policy Committee (EDPC). Contingent upon favorable feedback from the EDPC, EWDD would then submit a report to Council that would include consideration of a draft Resolution of Intention to form the San Pedro EIFD, and a request for authorization to prepare an Infrastructure Financing Plan, which would govern EIFD activities. The Resolution is a nonbonding action to initiate district formation activities. The County would be expected to consider, in tandem, a Resolution of Intention to cooperate with the City on the San Pedro EIFD.

I THEREFORE MOVE that the Economic and Workforce Development Department (EWDD) be directed / authorized to negotiate with the County of Los Angeles and the Housing Authority of the City of Los Angeles regarding the development of a participation application package for the San Pedro Enhanced Infrastructure Financing District (EIFD) and to report to Council subsequent to review of the package by the County's Economic Development Policy Committee.

I FURTHER MOVE that the EWDD be directed / authorized to prepare, contingent upon favorable feedback from the County's Economic Development Policy Committee, a draft Resolution of intention to form the San Pedro EIFD for Council consideration, and to report to Council on a quarterly basis regarding progress of the application and formation process for the San Pedro EIFD.

PRESENTED BY:

  
JOE BUSCAINO  
Councilmember, 15th District

SECONDED BY:



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