

RESOLUTION **RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS**

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Opportunity Zone incentive is a new economic development tool established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investment in low-income communities; and

WHEREAS, capital gains reinvested in Opportunity Zones are subject to generous tax deferrals, discounts, and potentially tax exclusion; and

WHEREAS, the purpose of the incentives is to unlock an estimated \$2 trillion in unrealized capital gains and inject this capital into neighborhoods to promote business growth, strengthen the local economy, and revitalize the community; and


WHEREAS, California is one of only five states that has not conformed State tax law to match the federal tax incentives provided to Opportunity Zone investors; and

WHEREAS, currently pending in the State Legislature is a budget trailer bill which conforms in part to federal tax law regarding Opportunity Zones; and

WHEREAS, the bill limits Opportunity Zone benefits at the State level only to affordable housing and clean energy projects; and

WHEREAS, the City of Los Angeles is competing with cities across the country to secure Opportunity Zone investments, and completely aligning State law with federal tax law will enable a much greater list of eligible projects to qualify for State tax benefits;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 State Legislative Program SUPPORT or SPONSORSHIP of legislation conforming State tax law to federal tax law regarding the treatment of investments in Opportunity Zones, which will increase the number of projects eligible for State tax benefits and make Los Angeles a more competitive location for Opportunity Zone investments.

PRESENTED BY: 
JOE BUSCAINO
Councilmember, 15th District


JUN 21 2019

SECONDED BY: 

ORIGINAL