

MOTION

TRADE, TRAVEL AND TOURISM

Downtown Los Angeles is well-positioned for significant new development potential over the coming decades, predominantly including residential, hospitality, office, and retail uses. But investments in critical infrastructure are needed to support new development and deliver much-needed public amenities, such as affordable housing, transit-supportive infrastructure, and open space. In May 2023, in order to achieve the City’s housing objectives, Council approved the Downtown Los Angeles Community Plan Update, that expands the area in Downtown in which housing is permitted from 33 percent to 60 percent.

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

On July 9, 2018, Council instructed the Economic and Workforce Development Department (EWDD) to report on the feasibility of forming an EIFD in the Downtown Los Angeles area bounded by the Los Angeles River, the 110, 101, and 10 freeways, and 1st, 2nd, and 3rd streets to the North. EWDD subsequently hired Kosmont Companies as a consultant, and they have provided a feasibility analysis for a Downtown EIFD that shows the potential to provide long-term positive impact for the City and County.

The analysis by Kosmont determined that a Downtown EIFD would have the capacity to fund between \$1.5 and \$3 billion for projects in the area, including affordable and homeless housing, Pico Station, Pershing Square, and the 6th Street / Arts District Station, among others.

Action is needed to instruct / authorize EWDD to engage in discussions with the County and fully develop an EIFD application package that would identify potential projects and contribution rates. After submission of the application package and negotiations 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 Downtown EIFD, and a request for authorization to prepare an Infrastructure Financing Plan, which would govern EIFD activities. The Resolution is a non-binding 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 Downtown EIFD.

I THERFORE MOVE that the Council direct / authorize the Economic and Workforce Development Department (EWDD) to negotiate with the County regarding development of an application package for the Downtown EIFD and to report to Council on a quarterly basis regarding development of the application package for the Downtown EIFD; and

I FURTHER MOVE that the Council direct / authorize EWDD to prepare, contingent upon favorable feedback from the County’s Economic Development Policy Committee, a draft Resolution of Intention to form the Downtown EIFD for Council consideration, and to report to Council on a quarterly basis regarding progress of the application and formation process for the Downtown EIFD.

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PRESENTED BY:

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