

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to the Los Angeles Gap Financing Program.

Recommendations for Council action:

1. NOTE and FILE the November 1, 2022 Economic and Workforce Development Department (EWDD) report, inasmuch as this report is for information only and no further action is required.
2. INSTRUCT the EWDD to report in 90 days in regard to program parameters and funding commitments in connection with the Los Angeles Gap Financing Program.

Fiscal Impact Statement: The EWDD reports that the Los Angeles Gap Financing Program has received a Community Development Block Grant (CDBG) allocation for \$2.75 million through the annual Consolidated Plan. This Gap Funding Program aims to assist in providing long term growth to the City's General Fund.

Community Impact Statement: None submitted.

Summary:

On November 22, 2022, your Committee considered a November 1, 2022 EWDD report relative to the Los Angeles Gap Financing Program. According to the EWDD, on June 9, 2021, Council adopted the 47th Program Year Housing and Gap Financing Program Community Development Consolidated Plan (Council File No. 20-1433). The Plan included CDBG funds in the amount of \$2,750,000 to implement the Los Angeles Recovery Gap Financing Program (Gap Financing Program). The purpose of this pilot financing program is to provide gap funding to economic development (ED) projects involving the acquisition, new construction, and/or substantial rehabilitation of commercial, industrial, and mixed-use developments (commercial component only) that align with the City's Economic Development Strategy by 1) creating and retaining jobs, 2) promoting economic growth of new businesses and industries and 3) diversifying the City's economy.

The EWDD will administer the Gap Financing Program. The objective is to leverage committed investments from other local, state, and Federal programs to expedite the completion of commercial projects that have a "funding gap". A "funding gap" is the difference between the cost of a project and the committed funding sources. The Program will prioritize projects that are currently in the pipeline for other City or County Departments, such as the Los Angeles Housing Department, Housing Authority for the City of Los Angeles, and the Los Angeles County Metropolitan Transportation Authority (Metro), or in conjunction with other similar mission-driven entities such as the Los Angeles Development Fund (LADF), the City's Business Source Centers, and community development financial institutions. After consideration and having provided an

opportunity for public comment, the Committee moved to receive and file the report. Also, the Committee moved to instruct the EWDD to report back in regard to program parameters and funding commitments in the next 90 days. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee



COUNCILMEMBER	VOTE
PRICE:	YES
KREKORIAN:	ABSENT
BLUMENFIELD:	YES
RAMAN:	ABSENT
HARRIS-DAWSON:	YES

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11/22/22

-NOT OFFICIAL UNTIL COUNCIL ACTS-