ECONOMIC DEVELOPMENT POLICY COMMITTEE
Thursday, March 18, 2021
9:00 a.m. – 10:00 a.m.

Virtual/Microsoft Teams Meeting

Call-in number: 1-323-776-6996 Access Code: 831 836 193#

AGENDA

1.	Introductions	
2.	Legislative update (CEO)	5 minutes
3.	Palmdale EIFD (CEO & Kosmont)	20 minutes
4.	Expo Crenshaw Project (LACDA)	15 minutes
5.	Location film fees update (CEO & FilmLA)	10 minutes
6.	Business Relief updates LA Regional Covid-19 Recovery Fund (DCBA)	10 minutes
7.	Public Comment	

NOTE:

Please send comments to EconomicDevelopment@ceo.lacounty.gov by Wednesday March 17th at noon. They will be shared with the Committee prior to the meeting.

County of Los Angeles EDPC Update

Palmdale Enhanced Infrastructure Financing District (EIFD)

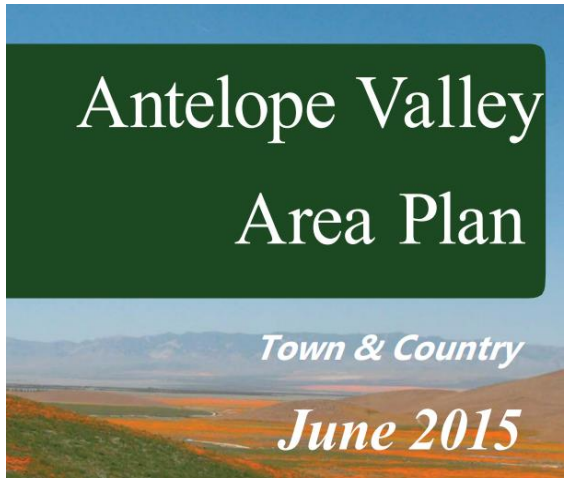
March 18, 2021

City-County Partnership

Support & Implement Existing LA County Plans & Initiatives

Our County
Los Angeles Countywide Sustainability Plan

Economic Resiliency Task Force
Kathryn BARGER



INFRASTRUCTURE LA

Help Accomplish LA County Goals & Priorities

1. **Local & Regional Transportation**
   - Palmdale Regional Airport
   - High Desert Corridor
   - Palmdale Multi-Modal Transportation Center
2. **High Wage Job Creation & Retention**
   - Support USAF Plant 42
   - Accelerate Private Sector Investment
3. **Housing Opportunities**
   - Affordable & Market Rate

Palmdale – Diverse and Growing Community

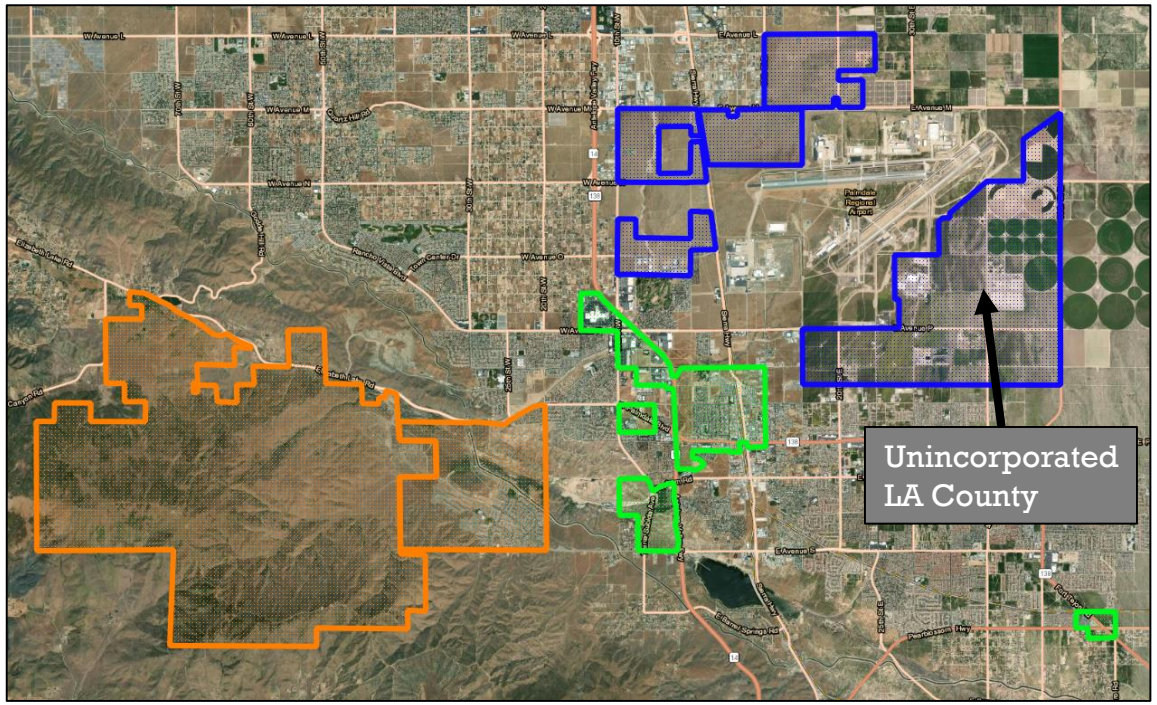
1. **1.5% annual population growth since 1998 vs. 0.5% Countywide**
   - Price pressures in LA Basin & San Fernando Valley have spurred growth in Antelope Valley
   - City population grew by 32% between 2000 and 2010
   - 2045 General Plan update underway

Envision PALMDALE 2045 a complete community

2. **Majority of population identifies as People of Color**
   - 54% of City pop. identifies as Hispanic or Latino vs. 47% of County
   - Higher homeownership rates in City for African American (50%) & Hispanic/Latino (65%) households versus County (34% and 37% respectively)

3. **Need for high quality jobs and housing options**
   - City jobs-to-housing ratio of 0.56 vs. 1.11 Countywide
   - Need for high quality jobs – $62,511 median household income vs. $69,795 Countywide
   - Homeownership opportunity – 66% homeownership vs. 45% Countywide
   - Affordable community – $409,000 median home price vs. $730,000 Countywide

EIFD Study Area



Area A Area B Area C

Total 22,971 acres, including 4,140 acres unincorporated County:

1. **Area A – Palmdale Aerospace Corridor**
   - High quality job center
   - USAF Plant 42, Palmdale Regional Airport, new industrial and commercial development
2. **Area B – Palmdale Commercial Centers**
   - Transportation, medical, mixed use
   - Palmdale Medical Campus, Transportation Center, mixed-use and Transit Oriented District
3. **Area C – Las Colinas**
   - New housing opportunities
   - Ritter Ranch and Anaverde residential projects

Estimated 50-year $1.2 billion tax increment revenues, or $271 million bonds for public infrastructure*

** Based on 100% City property tax contribution (17.43¢) with County match.*

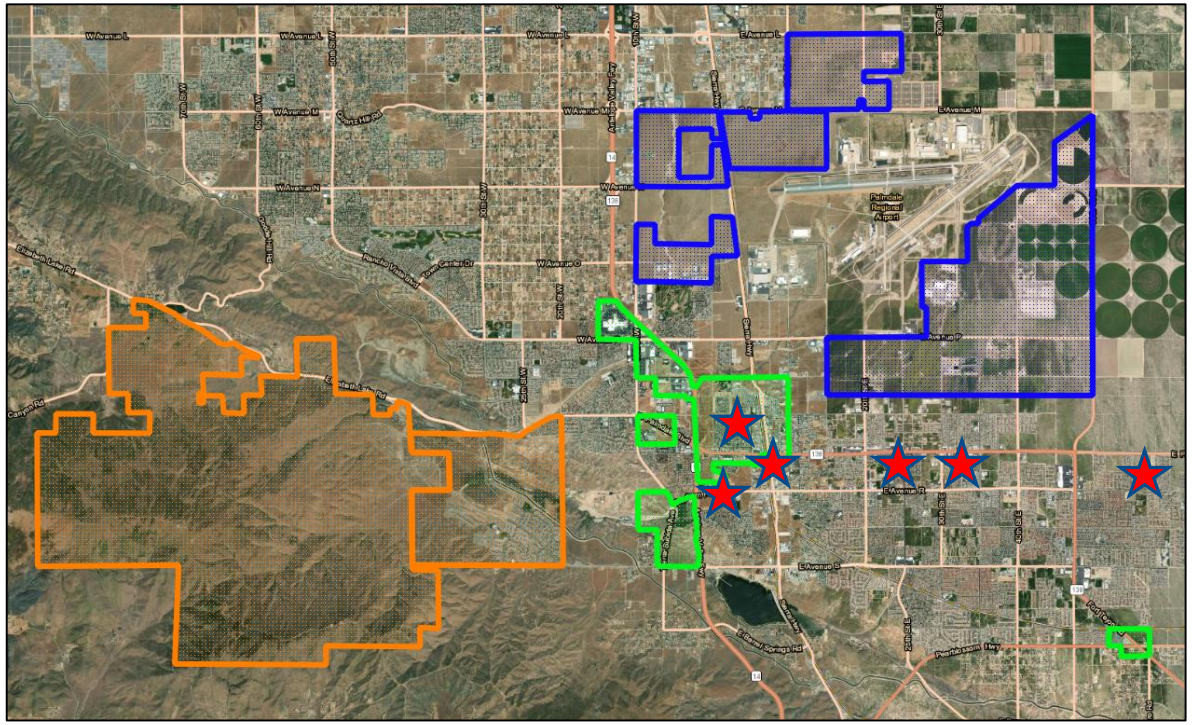
EIFD Feasibility – EIFD Infrastructure Expenditures

- ✓ Critical infrastructure to improve connectivity, mobility, and support new development identified through Specific Plans and Public Works analysis to be funded by EIFD:

	Streets & Intersections	Water / Sewer / Drainage	Total
Area A: Palmdale Aerospace Corridor	$7.2 million	$42.0 million	$49.2 million
Area B: Palmdale Transportation Corridors	$3.2 million	$18.0 million	$21.2 million
Rancho Vista Blvd Grade Separation*	$33.8 million		$33.8 million
Rancho Vista Blvd Water/Sewer Improvements*		$5.0 million	$5.0 million
Avenue O Widening & Median Realignment**	**$7.0 million**		**$7.0 million**
Antelope Valley County Service Center**			**$60.0 million**
		TOTAL:	**$176.2 million**

* Infrastructure projects that will serve County Unincorporated Area adjacent to Plant 42.
** Infrastructure projects provided by the County.

Affordable Housing



Area A Area B Area C

Planned Affordable Housing Projects

- City has facilitated numerous projects to improve supply of affordable housing via new construction & acquisition/rehab efforts.
- 2013-2021 Palmdale Housing Element in progress as part of City's General Plan Update.
- Six planned affordable housing projects with ~658 units in or near EIFD – 92% affordable at extremely low-, very low-, low-, and moderate-income households.
- 33% lower MF asking rents in City ($1,274) vs. County ($1,940)
- SF homes accessible to moderate income households with City's median home price ($409,000) vs. County ($730,000)

LA County EIFD Policy Guidelines

- Palmdale EIFD meets minimum criteria of County's policy for participating in city-led EIFDs:

Property Tax Increment: • Minimum $0.15 City share (Palmdale = $0.174 including MVLF) • City share contributed ≥ County share contributed • County contributes less than 100% of its share	☑
Fiscal Analysis: Positive net impact to County General Fund	☑
Board Priorities: Supports affordable housing, homeless prevention, workforce development, or sustainability • Additional priority for economic development, job creation in Disadvantaged Community	☑
Regional and Community Significance: As related to Board priorities above, job creation, blight removal, or improvements to regional transportation	☑
Affordable Housing: 20% of rental housing must be affordable	TBD
"But for…" Test: Contribution of County property tax increment is necessary precondition for targeted projects	☑

Benefits of City – County Partnership

Critical investments needed in Antelope Valley to Support Regional Goals

- ✓ Infrastructure investments that benefit regional assets: Palmdale Regional Airport, High Speed Rail Station, High Desert Corridor, Palmdale Transportation Center and Palmdale Regional Medical Center

Fulfills key County objectives – Connect jobs, housing, transportation

- ✓ Economic development and high-wage job creation around airport, transportation, and medical facilities
- ✓ Diverse and affordable housing production
- ✓ Support policies, goals, and objectives in Antelope Valley Area of Countywide Sustainability Policy:

Goal 1: Resilient and healthy community environments where residents thrive in place

Goal 3: Equitable and sustainable land use and development without displace-ment

Goal 12: A commitment to realize OurCounty sustainability goals through creative, equitable, and coordinated funding and partnerships

Provides fiscal benefit to County

- ✓ $3.7 billion in potential new investment
- ✓ Approximately 42,924 construction-related jobs and 15,381 jobs from ongoing operation for the region
- ✓ Enhances application for State and Federal grants

Thank You

Questions?

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Disclaimer

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Discussions or descriptions of potential financial tools that may be available to the City are included for informational purposes only and are not intended to be to be "advice" within the context of this Analysis.

Municipal Advisory activities are conducted through Kosmont Companies' affiliate, Kosmont Transaction Services, which is Registered as a Municipal Advisor with the SEC and MSRB.

Expo/Crenshaw Joint Development Project

Economic Development Policy Committee

March 18, 2021

LACDA
Los Angeles County Development Authority

Background

- Metro and County own property located at the Expo Crenshaw Metro station site

- On January 6, 2017, the LACDA, as agent of the County, entered into a Memorandum of Understanding with Metro to work together for the development of the Metro and County-owned properties

- In 2018, following a competitive solicitation process, Metro and LACDA (as agent of the County) entered into an Exclusive Negotiating Agreement (ENA) with Watt Companies (Developer) to develop a mixed-use project on the site

- The ENA will expire on April 15, 2021, and more time is needed to continue ground lease negotiations with Developer

Background (cont'd)

- Spring 2018: Developer entered into an agreement with West Angeles Community Development Corporation (WACDC) to partner in the delivery and operation of the project

- September 2019: Developer applied for entitlements

- Ongoing:
  - Joint Development Agreement and Ground Lease negotiations
  - Community engagement with neighborhood councils, block clubs, and other stakeholders

Proposed Mixed-Use Project

- Residential
  - 401 total rental units
  - 20% restricted to households earning 30% - 80% of Area Median Income (AMI)
  - Exploring the feasibility of expanding the number of affordable units by an additional 30%
- Commercial
  - 40,000 sq. ft. of commercial space including a grocery store
  - 2,500 sq. ft. of community space
- Open Space
  - 34,000 sq. ft. of open space
  - Transit Plaza providing access to Metro Crenshaw/LAX Line

Community Engagement

- The Developer, with their partner, WACDC, have held several meetings with local residents and community organizations

- Workforce Development: the local West Adams Work Source Center operated by Asian American Drug Abuse Program will provide job training and certification for area residents at no cost

- The Developer will continue to engage the community during the predevelopment period

Next Steps

- Developer to secure project entitlements
- Developer to pursue project financing
- County to continue negotiations for development of the site and return to Economic Development Policy Committee and County Board for approval of final project scope, Joint Development Agreement, and Ground Lease
- Community engagement ongoing

Recommendation to the Board

Authorize the execution of an amendment to the ENA by and among the County, through the LACDA, as County's agent, Metro, and Developer to extend the term of the ENA for 12 months with an option to extend for an additional 12 months, if necessary.

Questions?

Contact Us

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