

**ECONOMIC DEVELOPMENT POLICY COMMITTEE**  
**Thursday, July 2, 2020**  
**9:00 a.m. – 10:00 a.m.**

**Virtual/SKYPE Meeting**

**Call-in number: 1-323-776-6996 Access Code: 498935018#**

**AGENDA**

1. Introductions
2. Legislative update (CEO) 5 minutes
3. Proposed Funding Distribution Methodology for Catalytic Development Fund and Community Business Revitalization Program (LACDA) 25 minutes
4. County Film Policy (CEO) 15 minutes
5. Business Relief Funds update (LACDA, DCBA) 10 minutes
6. COVID-19 Portal and Website update (DCBA) 5 minutes
7. Public comment

**NOTE:**

Please send comments to [EconomicDevelopment@ceo.lacounty.gov](mailto:EconomicDevelopment@ceo.lacounty.gov) by Wednesday July 1st at noon. They will be shared with the Committee prior to the meeting.



July 2, 2020

TO: Economic Development Policy Committee

FROM: Davon Barbour, Director   
Community and Economic Development Division

Carey Jenkins, Manager of Economic Development Unit  
Community and Economic Development Division

**SUBJECT: REPORT BACK ON CATALYTIC DEVELOPMENT FUND GUIDELINES**

### **Background**

On October 24, 2019 the Economic Development Policy Committee (EDPC) instructed staff of the Los Angeles County Development Authority (LACDA) to provide policy guidelines concerning the Catalytic Development Fund (CDF or Fund) for review and comment. Following the EDPC directive LACDA staff had extensive discussions with each of the District Offices on this topic. These conversations took place during January through June 2020. Within that same timeframe the CDF underwent a programmatic audit by the Office of the Los Angeles County Auditor-Controller. The operational recommendations stemming from the audit have been added to the draft guidelines which are presented in **Attachment "A"** (Guidelines) to this transmittal.

Please note, the attached version differs from the initial Guidelines of July 12, 2018, in that the use of the CDF to finance site acquisition has been stricken from the document. Other aspects of the 2018 version of the Guidelines remain substantially in place. For background and context, the Guidelines introduced as part of the July 12, 2018 version represented the culmination of work conducted by LACDA staff and its' third-party consultant, Avivar Capital in consultation with each Board Office deputy. A matrix of all suggested changes is provided as **Attachment "B"** for summary review purposes. This also includes the list of recommendations from the January 2020 Auditor-Controller audit.

As points of further policy consideration, within the original Motion of October 20, 2015 that established the CDF, language stated the Fund would be, "...targeted to unincorporated areas prioritized by the County...". With subsequent use of the Fund certain projects have been initiated that reside outside of unincorporated areas of the County. These include the Vermont Manchester and West Los Angeles Courthouse and Civic Center Projects, both of which are in the City of Los Angeles and required Board action to utilize the Fund.

Economic Development Policy Committee  
July 2, 2020  
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To address this issue and allow for CDF funding of projects outside of unincorporated areas staff recommends retaining consistency with current practice of having the proposed project go before the Board for authorization. This would be memorialized in the Guidelines.

An additional proposed policy change has been introduced that would divide the annual allocation of the CDF evenly between the five (5) Supervisorial Districts. This is a recent policy option that has received considerable input and is presented for further discussion. All other aspects of the Guidelines would remain as presented.

It is our intent to provide these edits and present them collectively to the EDPC for further feedback with the ultimate goal of reaching consensus on the recommended revisions.

DB:CJ:dm

[K:\EDU\\_COMMON\Catalytic Development Fund \(CDF\)\CDF Guidelines EDPC 07.02.20\Cover Memo CDF Guidelines \(FINAL\) 07.02.2020 version.docx](K:\EDU_COMMON\Catalytic Development Fund (CDF)\CDF Guidelines EDPC 07.02.20\Cover Memo CDF Guidelines (FINAL) 07.02.2020 version.docx)

Attachments

# **ATTACHMENT A**

## **CATALYTIC DEVELOPMENT FUND PROGRAM GUIDELINES**

### **PROGRAM BACKGROUND**

On October 20, 2015, the County Board of Supervisors approved a series of programs designed to foster economic development throughout the County of Los Angeles (County). Known as the Economic Development Trust Fund (Trust Fund), allocations for various activities were provided to encourage business growth and create job opportunities. The Trust Fund would provide loans to small and medium-sized manufacturers, as well as technical support to the bioscience industry. The Trust Fund would also support other emerging industries, such as aerospace, health services and trade; renovate old storefronts to revitalize local commercial corridors; and expand joint investments with cities and community-based economic development organizations.

The Catalytic Development Fund (CDF or Fund) was one of the components of the Trust Fund. Within the CDF were allocations designated for 1) predevelopment activities; and 2) property acquisition, if sufficient resources were provided; (A). These tasks are consistent with broader County goals of building affordable housing, mixed-use, and transit-oriented development. Moreover, these projects would prompt the creation of high-quality, high-paying jobs for local County residents.

On July 12, 2018 the Economic Development Policy Committee (EDPC) directed Los Angeles County Development Authority (LACDA), the lead agency overseeing the CDF, to pursue alternative strategies for the funds that included more intensive predevelopment activities. These activities include the use of staff resources and outside consultants specializing in land use economics, land use planning, legal, environmental and CEQA, site maintenance and security contractors (B), as well as architectural and engineering professionals to conduct feasibility and related studies to confirm the viability of potential development. LACDA staff would construct a request for proposals (RFP) seeking developer responses to the extent that properties are determined to be good candidates for development and reuse. Because of the relatively small allocation of CDF available, site acquisition remained an option if the fund was increased up to \$20 million to \$25 million (C).

## PROJECT EVALUATION

Effective evaluation of sites for possible development consists of a series of key factors and include: 1) establishing a minimum criteria; 2) determining geographic relevance; 3) confirming if the site and the proposed project meet a Board-identified Strategic Policy Priority; 4) identifying the appropriate “stage of readiness” for the proposed project; and 5) effectively analyzing the financial viability of the project and its ability to attract enough capital to move forward.

- 1) **Minimum Criteria** to establish a project – All requests should be endorsed by a Supervisorial District. Funds should be allocated to reimburse predevelopment activities with an emphasis on the initial stages of project feasibility (*D*).

Excluded projects would include those that already have a dedicated funding source or sources available to determine their feasibility and/or project completion. The following projects are excluded from further consideration:

- Single-use housing
  - Single-use open space
  - Single-use public buildings
  - Financing, refinancing, or construction costs
- 2) **Geographic Relevance** – Projects must be within Los Angeles County and should reflect priority communities that experience the greatest need for economic development and revitalization. Potential ways to identify priority communities include (*E*):
    - Former Redevelopment project areas
    - NMTC-eligible census tracts
    - Low-income or high unemployment areas
    - Federally designated Opportunity Zones
    - Blighted commercial corridors
    - Unincorporated areas of Los Angeles County
    - In or near key County assets
  - 3) **Strategic Policy Priority** – Based on detailed feedback from the District Offices, CDF projects should support the following (*F*):
    - Encourage greater density, such as vertical development that includes multi-family housing or commercial uses above ground-floor retail, tech, medical or industrial campuses, or reactivation of large, vacant buildings.
    - Increase transit-oriented development around existing or planned high-volume rail or bus lines.

- Connect commercial uses to affordable housing, either within comprehensive mixed-use projects or as adjacent development to affordable housing projects; or
- Leverage existing County assets, by either redevelopment County properties or supporting new development near key County properties.

4) **Stage of Readiness** – Proposed projects should have a clear path to development and possess one (1) or more of the following indicators of project readiness (*G*):

- Site control, or path to site control. A controlled site could be owned by the County, owned by a willing seller ready to transfer it to the County or development partner, owned by a private party capable of development, or under option or purchase contract to the County or a development partner for further development. Identification of a vacant or underutilized property is not site control.
- Project sponsor, or a path to a project sponsor, who will bear the development risk (County, other public agency, or private party including non-profit organizations (*H*) with demonstrated operational and financial capacity). A project sponsor should be clearly identified – be it to the County or a private party. An expressed community desire for development is not a project sponsor. If the County has site control, then a plan to RFP to a developer is reasonable. If a private party lacks balance sheet equity, creditworthiness, or development expertise, there should be a development partner in place or identified.
- Viable use or uses identified. That use should be consistent with underlying land use plans, specific plans, current or achievable zoning, and community interests. If commercial space is to be leased, indications of interest from tenants indicates viability. If new construction is intended, infrastructure capacity should be sufficient or achievable. The property should be free of environmental issues, or remediable to an appropriate level for the intended use.
- Entitlements (entitled by right or clear, obvious path to entitlements). A property should be entitled by-right for its intended uses, or an obvious path to entitlement should exist. Required zone changes or plan amendments are indicators that a project may not be ready for some time. Similarly, required licenses or regulatory approvals that are difficult to achieve are indicators of a delayed project.

5) **Financial Viability** – Proposed projects should demonstrate financial sustainability and, except for certain affordable housing development, maintain financial viability without the need for ongoing subsidy or other financial support. Elements of financial viability include (*I*):

- Revenue-producing operations, whether by leasing to stable tenants or owner-occupancy by an existing and successful enterprise. Commercial occupancy by County departments should be considered revenue-producing to the extent that they have stable long-term budgets and can execute long-term leases. If a revenue stream is not obvious, the project should have reasonable revenue projections that are in line with market conditions.
- Ability to attract private financing whether debt or equity investment. A project with an attractive vision, reasonable proforma, and a credible sponsor should be able to attract financing. Project proformas are required to estimate supportable debt. Equity commitments in addition to sponsor equity, is a tangible sign of long-term financial viability.
- Public subsidy is clearly identified with a path to obtaining commitment. To the extent that a project cannot reach breakeven or financial viability at stabilization, it should secure upfront subsidy to reduce initial costs until viability can be achieved. A commitment, or plan to achieve those gap funds indicates a higher likelihood of viability.

## EVALUATION CRITERIA

A basic matrix evaluation has been developed to document the status of prospective projects and justify their support by the Fund (Attachment C). LACDA, in partnership with CEO's Economic Development Unit, will work to develop a more robust tracking and evaluation system to confirm the progress of projects and justify use of the CDF (*J*).

## GOVERNANCE AND DECISION-MAKING PROCESS

The parties involved in this process include:

- **EDPC** – authorizes program and monitors performance
- **LACDA** – administers program, contracts with consultant teams and provides reports
- **Internal Diligence Team (LACDA or County staff)** – conducts evaluation of projects under certain financial threshold
- **External Diligence Team (financial consultants)** – produces independent rigorous review of requests above financial threshold

## **DECISION-MAKING THRESHOLD**

Projects that come before LACDA are initially assessed and a scope of work for determination of project feasibility is completed. Depending on the estimated size of the feasibility budget the following actions are taken:

- Requests under \$300,000 are reviewed and approved by LACDA staff (Internal Diligence Team)
- Requests over \$300,000 would generally require a more rigorous review conducted by the Internal Diligence Team, and if necessary, External Diligence Team (contracted consultants) and presented to EDPC for review

## **OPTIONS FOR LONG TERM SUSTAINABILITY**

Future funding options for long-term sustainability of the CDF should include:

- Reimbursement of initial CDF investment through property sales or ground lease payments for non-County-owned properties
- Reimbursement of CDF investment through permanent financing of project (*K*)
- Receipt of ground lease payments for County-owned properties

These strategies assume successful project completion.

## **SITE CONTROL STRATEGIES**

Key site control strategies are available and should be pursued in conjunction with the use of the CDF. They include the following scenarios (*L*):

- Pursue existing County-owned properties
- Engage other public agencies and gain access to their properties
- Enter into joint development agreements with other agencies
- Work with other County departments, including CEO Real Estate Division, to promote the use of public-private-partnership (P3) development opportunities for County facilities to be developed on non-County owned land

## **SITE ACQUISITION**

The use of the CDF does not presently include site acquisition. This option should be revisited regularly to confirm the feasibility of using the Fund for the purpose based on available resources and after consultation with the EDPC. To the extent this becomes a

viable option, LACDA staff would return to the EDPC with more detailed recommendations for the use of the Fund to acquire land within the context of the current Guidelines, overall project pipeline and timing for the use of funds (M).

## **ADMINISTRATIVE PROCEDURES**

The following Administrative procedures have been implemented to effectively manage program activities and better account for program outcomes. These procedures include the following:

- Guidelines are presented to the Board for approval when substantive changes are being recommended and EDPC has provided its review and concurrence (N).
- Updates to the Guidelines will be conducted on a regular cycle, for example every two (2) years. This will allow for updates to occur that are consistent with changing market conditions and Board policy goals and objectives (O).
- Regarding management monitoring controls, program operations staff have engaged LACDA's Grants Management Unit (GMU) to set up a self-monitoring process to confirm procedures and practices are being adhered to in a reasonable manner that can be easily documented and validated (P). This includes the implementation of monitoring forms, checklists, file documentation and other program best practice tools and techniques.
- Presently, GMU is responsible for monitoring Community Development Block Grant (CDBG) funded projects on behalf of the County and for various participating cities that utilize these funds. Furthermore, GMU is recognized by the U.S. Department of Housing and Urban Development (HUD) as a subject matter expert in the administration of CDBG funds and can overlay these monitoring/audit techniques onto the CDF to maintain proper administrative controls (Q).

## **ADMINISTRATIVE COSTS**

The Guidelines will be consistent with the Community Development Block Grant (CDBG) administrative guideline (Notice CPD 13-07). The Guidelines breakdown administrative costs in two (2) categories: program administration costs (PAC) and activity delivery costs (ACD) (R).

**Program Administration Costs (PAC):** Costs attributable to program administration. These costs include, but are not limited to:

- Salaries of executive officers, director, and staff with general program oversight responsibilities.
- Overhead costs such as office space, computers, etc., for staff employed in carrying CDF program administration.

- Staff time spent for the development of general program policies and procedures, such as the monitoring of overall program performance.

**Activity Delivery Costs (ADC):** Costs incurred for implementing and carrying out projects or activities, including direct and indirect costs integral to the delivery of the activity. These costs include, but are not limited to:

- Compensation of employees for the time devoted to the activity.
- Overhead costs for staff in carrying out activity.
- Costs of materials acquired, consumed, or expended by staff in carrying out a specific activity, such as office supplies, etc.
- Consultants, architectural, appraisals, title environmental, property maintenance, legal, printing, mail, and construction management costs directly tied to the specific activity.
- Travel costs incurred specifically for carrying out activities such as visits to the job site.

## CATALYTIC DEVELOPMENT FUND GUIDELINES – SUMMARY OF RECOMMENDED CHANGES

	Section	Deleted Language	Added Language	Comments	Requested By
(A)	Program Background	Potential property acquisition	If provided more resources, Fund could serve both predevelopment and property acquisition	This more accurately reflects current options available with use of the Fund	Deletion: First District Addition: First District
(B)	Program Background	N/A	Use of funds to include site maintenance and security contractors	This more accurately reflects use of funds in current projects	Addition: Third District
(C)	Program Background	Under limited circumstances	Qualifying dollar amounts where property acquisition could be feasible (\$20MM-to-\$25MM)	This amount was identified in a consultant study (Avivar Capital 1/11/18) where property acquisition could be considered as a feasible alternative	Deletion: First District Addition: First District
(D)	Minimum Criteria	Reference the use of funds for land acquisition	Use of funds for early stage project feasibility	Deletion better aligns with goals stated by EDC. Addition focuses CDF on unmet funding need at earliest stage of project development	Deletion: First District Addition: LACDA staff
(E)	Geographic Relevance	Highly distressed neighborhoods	High unemployment areas; Federally designated Opportunity Zones Unincorporated areas of Los Angeles County	Better alignment with language in the original Board Motion of October 20, 2015; identifies other targeted areas that could leverage federal assistance	Deletion: LACDA staff Addition: LACDA staff First District
(F)	Strategic Policy Priority	N/A	Greater detail provided to the four (4) Strategic Policy Priority goals	Language lifted directly from consultant study (Avivar Capital 6/15/18) that recommended these four (4) priorities and better defines the Strategic Policy goals	Addition: First District
(G)	Stage of Readiness	N/A	Greater detail provided to the four (4) components that comprise the Stage of Readiness section	Language lifted directly from consultant study (Avivar Capital 6/15/18) that provides more narrative and details supporting Stage of Readiness for prospective projects	Addition: First District
(H)	Stage of Readiness	N/A	Inclusion of non-profit organizations as part of Project Sponsor	Mission based land owners interested in community development, economic development and housing opportunities – would need to be screened to determine organizational and financial capacity	Addition: LACDA staff
(I)	Financial Viability	N/A	Greater detail provided to the three (3) components that comprise the Financial Viability section	Language lifted directly from consultant study (Avivar Capital 6/15/18) that provides more narrative and details supporting Financial Viability for prospective projects	Addition: First District
(J)	Evaluation of Criteria	N/A	Creation of an evaluation matrix for tracking of projects	New language added for the creation of a project tracking that includes parameters for identifying its progress and evaluating its effectiveness as it relates to the policy goals sought by the CDF	Addition: First District

## Attachment "B"

	Section	Deleted Language	Added Language	Comments	Requested By
(K)	Options for Long Term Sustainability	N/A	Reimbursement of CDF through permanent financing of project	Means to recoup initial CDF investment by the County	Addition: LACDA staff
(L)	Site Control Strategies	References use of CDF for land acquisition	Provides additional options for site control that do not involve land acquisition	Better aligns with current policy direction of the EDPC	Deletion: First District Addition: Second District
(M)	Site Acquisition	N/A	Provides a process to review the Fund for possible land acquisition at a future date	Allows for the evolution/growth of the Fund to accommodate future redevelopment opportunities consistent with input received by staff	Addition: Third District
(N)	N/A – not yet part of guidelines	N/A	Guidelines to be presented to the Board of Supervisors for approval when substantive changes are being considered	Provides for a formal mechanism to recommend, review and approve Guidelines	Addition: LACDA staff Auditor/Controller
(O)	N/A – not yet part of guidelines	N/A	Guidelines reflect opportunities to regularly update	Updates to program guidelines will be conducted on a regular cycle allowing them to maintain consistency with changing market conditions and Board policy goals and objectives	Addition: Auditor/Controller
(P)	N/A – not yet part of guidelines	N/A	Guidelines identify a self-monitoring process for operations staff to implement	With the assistance of the Grants Management Unit (GMU) self-monitoring tools are established to confirm guidelines, procedures, and practices are adhered to in a reasonable manner that can be easily documented and validated	Addition: Auditor/Controller
(Q)	N/A – not yet part of guidelines	N/A	Utilize the expertise of GMU to provide regular monitoring/audit support and recommend adjustments to program administration as needed	GMU is responsible for monitoring federally funded CDBG projects throughout the County and is recognized by HUD as a subject matter expert in program administration and can overlay this expertise onto the CDF to maintain proper administrative controls	Addition: Auditor/Controller LACDA staff
(R)	N/A – not yet part of guidelines	N/A	Guidelines reflect a method for identifying administrative costs and project delivery costs	Provides a consistent method of accounting for specific activity delivery costs (ADC) versus those associated with program administration costs (PAC) utilizing well known CDBG program guidelines	Addition: Auditor/Controller
(S)	N/A – not yet part of guidelines and not in the draft document	N/A	For individual projects, use of the Fund outside of Unincorporated areas of the County must obtain Board approval	This is consistent with current practice and would continue for future projects	Addition: LACDA staff (County Counsel recommendation)
(T)	N/A – not yet part of guidelines and not in the draft document	N/A	Allocation of the CDF to be divided equally among the five (5) District Offices	Provides for ease of administration and clarity of use	Addition: First District

1 MINIMUM THRESHOLD CRITERIA:

Endorsement by District Office:

YES	NO
X	

Budgeted Amount of CDF: \$ 250,000

Date: XX/XX/20XX

Method of Communication: (email from District Office, Board Letter, Board Motion)

2 CDF POLICY CRITERIA

GEOGRAPHIC RELEVANCE		STRATEGIC POLICY PRIORITY			STAGE OF READINESS					FINANCIAL VIABILITY		
WITHIN UNINCORP. CO. (a)	OTHER PRIORITY CRITERIA (b)	ENCOURAGE GREATER DENSITY	ENHANCES TOD OPPORTUNITY	CONNECT COMMERCIAL USE TO AFFORD. HOUSING	VERIFIABLE SITE CONTROL	IDENTIFIED PROJECT SPONSOR	USE(S) CONSISTENT W/ ZONING	ALIGNED WITH COMMUNITY NEED	PATH TO ENTITLEMENTS	REVENUE PRODUCING ACTIVITY	CAN ATTRACT OUTSIDE CAPITAL (debt and equity)	ABILITY TO ATTRACT PUBLIC SUBSIDY
<b>LIKELIHOOD OF CRITERIA BEING MET BASED ON SCALE: "LOW" "MEDIUM" "HIGH"</b>												
HIGH	HIGH	HIGH	HIGH	MEDIUM	HIGH	HIGH	HIGH	LOW	MEDIUM	MEDIUM	HIGH	HIGH
<b>NUMERICAL APPLICATION OF SCALE: LOW=1 MEDIUM=2 HIGH=3</b>												
3	3	3	3	2	3	3	3	1	2	2	3	3

3 PROJECT SPECIFIC CRITERIA

RESIDENTIAL UNIT COUNT	RESIDENTIAL UNIT COUNT PER ACRE (c)	QUALITY OF NEW OR UPGRADED COMMERCIAL SPACE (d)	EXPECTED FTE JOB COUNT	CDF FIN. ASSIST. TO EXPECTED FTE JOBS (e)	CDF REQUEST LESS THAN \$300,000 (f)	TIMELINE FOR RETURN OF CDF INVEST. (g)	TIMELINE FOR START OF CONSTRUCTION (h)	OTHER	OTHER	OTHER	OTHER	OTHER
120	80		20	\$12,500	Yes	w/in 6 years after construction	24 months after execution of ENA					
<b>LIKELIHOOD OF CRITERIA BEING MET BASED ON SCALE: "LOW" "MEDIUM" "HIGH"</b>												
	HIGH	MEDIUM		HIGH	HIGH	MEDIUM	MEDIUM					
<b>NUMERICAL APPLICATION OF SCALE: LOW=1 MEDIUM=2 HIGH=3</b>												
	3	2		3	3	2	2					

(a) Within Unincorporated Co. = "HIGH"; outside of Unincorporated Co. = "LOW"

(b) Meeting at least two (2) of the criteria below is considered "HIGH"; meeting at least one (1) is "MEDIUM"; meeting none is considered "LOW"

- Former Redevelopment Project areas
- NMTC-eligible census tracts
- Low-income or high unemployment areas
- Federally designated Opportunity Zones
- Blighted commercial corridors
- In or near key County assets

(c) If number is over what is allowed by-right designate "HIGH", if number is below what is allowed by-right designate "LOW"

(d) If commercial tenants are market lease paying and economically viable without need for subsidy designate "HIGH"; if community serving and/or nonprofit space w/ limited C/F designate "MEDIUM"; if speculative space with no tenants, designate "LOW"

(e) If number is under \$25,000 designate as "HIGH"; If number is \$25,001 to \$49,999 designate as "MEDIUM"; If number is equal to or above \$50,000 designate as "LOW"

(f) If CDF budget request is under \$300,000 designate as "HIGH"; if above \$300,000 designate as "LOW"

(g) If within three (3) years after construction designate "HIGH"; if between three (3) years and six (6) years after construction designate "MEDIUM"; if six (6) years or more after construction designate "LOW"

(h) Once the ENA is executed, if within 12 months designate "HIGH"; if within 24 months designate "MEDIUM"; if within 36 months designate "LOW"

(general) A blacked-out cell means a numerical or qualitative score cannot be given

TOTAL SCORE	52
AVERAGE SCORE	2.7
<b>PROJECT DESIGNATION</b>	<b>HIGH</b>

2.5 to 3.0	HIGH
1.7 to 2.4	MEDIUM
1.0 to 1.6	LOW



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI  
Chief Executive Officer

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Third District

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Fourth District

KATHRYN BARGER  
Fifth District

July 21, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **APPROVAL OF BOARD POLICY NO. 3.125 – COUNTY FILMING POLICY (ALL AFFECTED DISTRICTS) (5 VOTES)**

### **SUBJECT**

Approve updated changes to Board Policy No. 3.125: County Filming Policy.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and adopt the revised County Filming Policy, effective upon Board approval, which updates the previous regulations, exemptions, and best practices to support filming and photography activity in the Unincorporated Areas of Los Angeles County.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

In response to the request of the Executive Officer of the Board of Supervisors, this office has conducted a sunset review of Board Policy No. 3.125: County Filming Policy. Based on this review, we recommend the attached revisions and extending the sunset review date from July 14, 2020 through July 12, 2024. The CEO presented the proposed changes to the County Filming Policy to the Audit Committee on May 6, 2020 and received approval to submit the policy to the Board for final action and approval.

### **FISCAL IMPACT/FINANCING**

There are no fiscal impacts to the County Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On May 1, 2012, the California Film Commission (CFC) adopted a revised statewide Model Film Ordinance (MFO) and Best Practices based on extensive stakeholder outreach to the film industry and State and local governments.

On July 5, 2012, the Southern California Association of Governments' Regional Council unanimously moved to encourage its 191 member cities and six counties to adopt a version of the CFC MFO and Best Practices that fit their needs.

On July 24, 2012, the Board directed the CEO to revise the County's current film practices in accordance with the revised CFC MFO and Best Practices for incorporation into the County's practices to the extent practicable.

On July 31, 2012, the CEO advised the Board that incorporating the CFC's MFO and Best Practices into the County's current practices via a Board Policy would be the best approach.

On January 24, 2013, the County's Audit Committee approved the recommended Policy for submission to the Board.

On March 22, 2013, the Board approved the County Film Policy 3.125.

On May 6, 2020, the County's Audit Committee approved the recommended changes and extension of the sunset date to July 12, 2024 and received approval to submit the policy to the Board for final action and approval.

The significant updates to the County's Film Policy involve updates to the Permit Exemptions, Prohibitions on County Properties, and Permit Violation sections to include:

### Exemptions to Permits:

1. Certified Sound Stages and Certified Studio properties activities;
2. Emergent News Media filming activities;
3. Personal/Family filming activities;
4. Filming activities conducted for use in a criminal investigation or criminal court proceeding; and
5. Filming activities conducted by or on behalf of the County of Los Angeles.

Prohibitions on County Properties:

1. Filming of Commercials or advertisements for alcohol, cannabis, or tobacco products;
2. County clients or patients unless a release form is signed; and
3. County employees in County employee occupied buildings during regular work hours unless a release form is signed by the employee and approved by their respective Department manager.

Permit Violations:

No Permit: If a person conducts filming activity without a required film permit, the unauthorized filming activity must cease, and the person can be charged with a misdemeanor. Unpermitted filming is misdemeanor punishable by a daily fine, not to exceed \$1000 per day, imprisonment in the County jail not to exceed six months, or both.

Violated Permit: If a permittee violates any provisions of a film permit issued pursuant thereto, the County may provide the permittee with verbal or written notice of such violation. If the permittee fails to correct the violation, the County may revoke the film permit and all activity must cease.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There are no impacts on current services or projects.

**CONCLUSION**

The recommended changes in the County Filming Policy remain consistent with the Board's direction to implement a policy that supports filming activity and encourages the retention of the filming industry in Los Angeles County while balancing the interests of communities and County government.

The changes also update the current regulations, exemptions and best practices for filming and photography activities in the Unincorporated Areas of Los Angeles County and clarifies the County's Municipal Code language relative to enforcement of these activities.

The Honorable Board of Supervisors  
July 14, 2020  
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If you have questions, please contact Allison Clark, Senior Manager, Economic Development and Affordable Housing Division, at (213) 974-8355 or [allison.clark@ceo.lacounty.gov](mailto:allison.clark@ceo.lacounty.gov)

Respectfully submitted,

Sachi A. Hamai  
Chief Executive Officer

SAH:FAD:AEC  
JO:GS:acn

Enclosure

c:  
Executive Office, Board of Supervisors  
County Counsel  
Animal Care and Control  
Arts and Culture  
Beaches and Harbors  
District Attorney  
Fire Department  
Health Services  
Library  
Medical Examiner-Coroner  
Military and Veterans Affairs  
Parks and Recreation  
Probation  
Public Social Services  
Public Works  
Regional Planning  
Sheriff  
FilmLA

### 3.125 - County Filming Policy

Effective Date: 01/14/14

#### **PURPOSE**

To promote the establishment of permit policies, regulations, and best practices that increase or retain filming activity in Los Angeles County, while balancing the concerns of communities and County government.

#### **REFERENCE**

July 24, 2012 Board Order 11

July 31, 2012 Chief Executive Officer memorandum entitled: "California Film Commission's Model Film Ordinance and Best Practices"

January 7, 2014 "Guidelines and Best Practices for Filming Activities for County of Los Angeles"

January 14, 2014 Board Letter from Chief Executive Officer Board Order 14

#### **POLICY**

The County Board of Supervisors recognizes the economic importance of the filming industry to the region in terms of economic activity, tax revenue, jobs, and tourism. The following policies and procedures are adopted by the Board to retain and increase filming activities in Los Angeles County, while balancing the concerns of communities and county government.

#### **I. DEFINITIONS:**

- a. "Filming Activity" shall mean motion picture, television, and commercial still photography filming activities and include all activity attendant to staging or shooting commercial motion pictures, television shows or programs, commercials, and student films produced to satisfy a post-secondary school course requirement at an educational institution in any medium including film, tape or digital format.
- b. "Charitable filming activities" shall mean commercials, motion pictures, television, videotapes, digital recording or still photography produced by a nonprofit organization, which qualifies under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. No person, directly or indirectly, shall receive a profit from the marketing and production of the film or from showing the films, tapes or photos.
- c. "News Media filming activities" shall mean the photographing, filming or videotaping for spontaneous, unplanned television news broadcast or reporting for print media by reporters, photographers or camerapersons.

- d. " **Certified Sound Stage and Certified Studio Property Activities**" shall be those filming activities described above that take place in a fixed place of business certified as such by local fire authority having jurisdiction.

Change "Studio filming activities" to:

*"Certified Sound Stage and Certified Studio Property Activities" to replace "Studio Filming Activities"*

- e. "Personal/Family filming activities" shall be those recording activities of visual images (motion or still photography) solely for private personal use, and not for commercial use.

## II. PERMITS AND EXEMPTIONS:

- a. Film Permit required: No person shall use any public or private property, facility or residence in the County's unincorporated areas or at a County or County District property in incorporated areas for Filming Activity without first applying for and receiving a film permit from the County.

**Exemptions:** The film permit requirements described above shall not apply to:

1. **Certified Sound Stages and Certified Studio properties** activities,
  2. **Emergent** News Media filming activities,
  3. Personal/Family filming activities
  4. **Filming activities conducted for use in a criminal investigation or criminal court proceeding.**
  5. **Filming activities conducted by or on behalf of the County of Los Angeles.**
- b. Permits on Set: The permittee shall retain a physical copy of its film permit and any other entitlement required for its filming activities where the filming activity takes places. The permittee shall provide said physical copies upon request.

## III. RULES AND REGULATIONS:

Rules: The County will promulgate rules and regulations, subject to approval by resolution of the Board, governing the form, time and location of any film activity set forth within the County. The County shall also provide for the issuance of film permits. The rules and regulations may be based upon the following criteria:

1. The health and safety of all persons;
2. Mitigation of disruption to all persons within the affected area;
3. The safety of property within the County; and
4. Traffic congestion at locations within the County.

#### **IV. APPLICATION AND ISSUANCE:**

- a. Issuing Authority: The issuing authority shall be the County.
- b. Applications: The following information may be included in the application:
  - 1. The specific location at such address or place;
  - 2. The inclusive hours and dates such filming activity will occur;
  - 3. A general statement of the character or nature of the proposed filming activity;
  - 4. The name, address, email address, and telephone number of the person or persons in charge of such filming activity;
  - 5. The exact number of personnel to be involved on-site;
  - 6. A description of the activities that may cause public alarm such as the use of any **lighting, loud music**, animals, gunfire, pyrotechnics, **drone** or helicopter activity; and
  - 7. The exact number and type of vehicles, and amount and type of equipment, to be used for the filming activities, along with a parking plan.
- c. Fee Schedule: The County shall adopt a fee schedule.
- d. Reimbursement for Personnel: The production company shall reimburse the County for any personnel provided to the company (e.g., police, fire, traffic) for assisting the production.
- e. Change of Date: Upon the request of the permittee, the issuing authority shall have the power, upon a showing of **good** cause, to change the date for which the permit has been issued, provided established limitations are complied with in respect to time and location.

#### **V. INDEMNIFICATION AND INSURANCE PROVISIONS**

- a. Indemnification: Permittee shall indemnify defend and hold harmless the County, its special districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, cost and expenses (including attorney and expert witness fees), arising from and /or related to the film permit, except for such loss or damage from the sole active negligence or willful misconduct of the County Indemnitees.
- b. Insurance: The film permit shall not be effective until permittee has submitted satisfactory evidence of general liability insurance, workers' compensation insurance, automobile insurance and employers' liability insurance conforming to the requirements of the County. The type, coverage, policy limits and other conditions of insurance shall be that required by the County at the time the film

permit is issued, unless a different type, coverage, policy limits and other conditions of insurance are specified in the film permit.

**VI. PROHIBITIONS ON COUNTY PROPERTIES**

Filming activities on County or County District Property shall not include the following:

1. Filming of Commercials or advertisements for alcohol, cannabis, or tobacco products;
2. County clients or patients unless a release form is signed; and
3. County employees in County employee occupied buildings during regular work hours unless a release form is signed by the employee and approved by their respective Department manager.

**VII. VIOLATION:**

- a. No Permit: If a person conducts filming activity without a required film permit, the unauthorized filming activity must cease, and the person can be charged with a misdemeanor. Unpermitted filming is misdemeanor punishable by a daily fine, not to exceed \$1000 per day, imprisonment in the County jail not to exceed six months, or both.
- b. Violate Permit: If a permittee violates any provisions of a film permit issued pursuant thereto, the County may provide the permittee with verbal or written notice of such violation. If the permittee fails to correct the violation, the County may revoke the film permit and all activity must cease.

**RESPONSIBLE DEPARTMENT:**

**CHIEF EXECUTIVE OFFICE**

**DATE ISSUED/SUNSET DATE:**

Issue Date: January 14, 2014	Sunset Date: January 14, 2018
Review Date: November 16, 2017	Sunset Date: July 14, 2018
Review Date: May 16, 2018	Sunset Date: July 14, 2020
Review Date: May 20, 2020	Sunset Date: July 12, 2024