

MOTION BY SUPERVISOR HOLLY J. MITCHELL

December 8, 2020

APPROVAL OF THE ECONOMIC DEVELOPMENT ADMINISTRATION’S LOAN AGREEMENT FOR THE SEED SCHOOL OF LOS ANGELES COUNTY

On December 5, 2017, the County of Los Angeles (County) Board of Supervisors (Board) approved the acquisition of a 4.2-acre site via eminent domain located on the east side of the 8400 and 8500 blocks of South Vermont Avenue in the City of Los Angeles with the intention of developing the Vermont Manchester Joint Development Transit Priority Project (Project). This Project serves a public purpose through the development and delivery of a college-preparatory public boarding school and a mixed-use development which is comprised of affordable housing, community-serving retail, a jobs training center, a parking structure and a transit plaza. In 2018, two development teams, SEED Foundation Inc. and BRIDGE Housing Corporation (BRIDGE), were selected to develop the Project.

The SEED School of Los Angeles County (SEED LA), is being developed by a partnership between ExED, SEED Foundation Inc., and Abode Communities. The 147,000 square foot SEED LA campus will include classrooms with administrative spaces, 170 dormitory-style rooms, 20 apartments for staff, a dining hall with a commercial kitchen, a full gym and outdoor recreation space. Construction is expected to start by January 2021 and be completed by the 2022-23 academic year.

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**MOTION BY SUPERVISOR HOLLY J. MITCHELL
DECEMBER 8, 2020
PAGE 2**

On November 30, 2020, the Los Angeles County Development Authority's (LACDA) loan committee approved a loan of \$5,000,000 utilizing the Economic Development Administration (EDA) Revolving Loan Fund allocated to the LACDA. The LACDA is now requesting the Board's approval as the loan amount exceeds the current loan cap of \$3,000,000 as outlined in the LACDA's Revolving Loan Fund Administrative Plan Inclusive of COVID-19 Waivers amended and approved by EDA in September 2020. On July 28, 2020, the LACDA obtained a waiver from EDA to exceed the current loan cap of \$3,000,000. The \$5,000,000 loan (EDA Loan) will be utilized to finance a portion of construction costs of SEED LA; the total development cost of SEED LA is estimated at \$90,000,000. SEED LA has assembled financing that includes New Markets Tax Credit equity and debt, private financing and financial sponsorships.

The EDA Loan will be lent to SEED LA via SEED LA Facilities, LLC, a California Limited Liability Company at a 3.25% interest rate and a term of seven years to coincide with the other loans. The EDA Loan will be amortized over 20 years and monthly interest payments will be paid throughout the seven-year term. As required by EDA, SEED LA will be required to create one job for every \$75,000 lent, for a total minimum creation requirement of 67 jobs. The EDA Loan is to be repaid via a refinance at the end of the seven-year loan term. It is anticipated that bond financing will be used to pay the EDA Loan.

The Project was determined a Transit Priority Project eligible for the California Environmental Quality Act Sustainable Communities Project Exemption pursuant to Sections 21155 and 21155.1 of the Public Resources Code, which was approved as an exemption by the Board on December 5, 2017.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS, ACTING AS THE
BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY:**

1. Approve and authorize the Acting Executive Director, or his designee, to execute a loan agreement and any related documents with SEED LA Facilities, LLC, or its LACDA-approved assignees, to provide a seven-year loan using the Economic Development Act Revolving Loan Fund for an amount not to exceed \$5,000,000 at a 3.25% interest rate to finance the development of the SEED LA school; and
2. Authorize the Acting Executive Director, or his designee, to execute any future amendments to the loan documents and related documents, including taking all required actions to modify loan conditions and terms, that are consistent with conditions and terms identified in this motion, following approval as to form by County Counsel.

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(EW/CG)