

MOTION BY SUPERVISORS HILDA L. SOLIS

January 5, 2021

AND SHEILA KUEHL

Authorizing a Funding Agreement and Wiring of Funds for the Pilot Community Land Trust Partnership Program

Partnerships between the County and Community Land Trusts (CLTs) offer one path to creating long-term housing opportunities for low-income households. While CLT structures can vary, a CLT is typically a nonprofit organization that develops, manages, and/or preserves affordable housing for a community. CLTs typically maintain permanent ownership of land and sell or issue long-term leases to low-income households with restrictions on the resale prices of properties. Depending on the scale of the development to assist with capacity, CLTs may partner with Community Development Corporations (CDCs).

On September 29, 2020, the Board of Supervisors (Board) adopted a Motion (Motion) directing the Chief Executive Officer (CEO), in collaboration with the Treasurer Tax Collector (TTC), Los Angeles County Development Authority (LACDA), and County Counsel to: 1) develop a process to help secure tax-defaulted properties through Chapter

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8 Agreement Sales for Community Land Trusts (CLTs) to create long-term affordable housing; 2) develop a Pilot Community Land Trust Partnership Program (Pilot Program) for the First Supervisorial District and other interested Districts and solicit partnerships with CLTs and nonprofits to utilize the process; and 3) identify and designate funding for the Pilot Program, including the Affordable Housing budget unit.

On November 10, 2020, the Board approved to expand the Pilot Program beyond Chapter 8 properties and to allocate up to \$14 million from the Affordable Housing budget unit (County Funds) to acquire and rehabilitate at least five non-Chapter 8 properties, one in each Supervisorial District. The Affordable Housing budget unit (County funds) include the Affordable Housing Acquisition Fund and unclaimed funds from the TTC. Further, the Board directed the Acting CEO, or her designee, and LACDA to evaluate the Pilot Program after 90 days from execution of an agreement with a CLT/Community Development Corporation (CDC), and if determined successful based upon this assessment, provide recommendations for establishing a long-term Community Land Trust Partnership Program for the County. The report back is to include: geographic allocation of funding, the vetting process for potential acquisitions, and the process of completing any required improvements and rehabilitations.

CEO and LACDA have determined that the most efficient method to assist CLTs to purchase properties is for LACDA to administer the Pilot Program, which includes executing grant agreements with the CLTs and completing the transfer of County Funds into an escrow account for the respective CLT to acquire the property. The CEO and LACDA will execute a funding agreement for the transfer of the County Funds to the LACDA for use in implementing the Pilot Program.

WE, THEREFORE, MOVE that the Board of Supervisors:

1. Authorize the LACDA, through its Acting Executive Director, or his designee, to act as the agent of the County for the Pilot Program.
2. Direct and authorize the Acting Chief Executive Officer (CEO), or her designee, to execute a funding agreement, and any necessary amendments, with LACDA for up to \$14,000,000 from the Affordable Housing Budget unit for the Pilot Program, which includes any administrative costs for LACDA, for administration of the Pilot Program, which includes authority to LACDA to deposit into an escrow account for the respective CLTs to acquire property.

WE FURTHER MOVE that the Board of Supervisors acting as the Board of Commissioners for LACDA:

1. Designate the LACDA to act as the agent of the County for administration of the Pilot Program.
2. Accept from the County CEO Affordable Housing budget unit funds for the Pilot Program an amount of up to \$14,000,000 and incorporate such funds into the LACDA's Fiscal Year 2020-21 Budget, as needed.
3. Authorize the Acting Executive Director, or his designee, to execute grant agreements with the CLTs/CDCs, on behalf of the County, and all related documents, following approval as to form by County Counsel, including any amendments to such agreements for administration of the Pilot Program.
4. Designate the Acting Executive Director, or his designee, as the official responsible for completing all required actions to be taken by LACDA to distribute the County Funds described herein for the Pilot Program.

5. Direct the Acting Executive Director, or his designee, to execute a funding agreement, and any necessary amendments, with the County for up to \$14,000,000 for the Pilot Program, which includes administrative costs for the LACDA, and to coordinate with the Acting CEO, or her designee, within the County's Economic Development and Affordable Housing Division, on the expenditure of the County Funds.

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