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County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Chief Executive Officer

August 30, 2022

To: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

ESTABLISHING THE LAND BANK PILOT (ITEM NO. 24, AGENDA OF JUNE 14, 2022)

On June 14, 2022, the Board of Supervisors (Board) approved a motion to establish a land bank pilot. The motion directed the Chief Executive Officer, in consultation with the Los Angeles County Development Authority, Departments of Public Works, Regional Planning, Chief Executive Office (CEO)-Anti-Racism Diversity and Inclusion Initiative (ARDI), Treasurer and Tax Collector (TTC), and the Metropolitan Transportation Authority (Metro),¹ and other key departments and outside partners to report on steps to create the land bank pilot within the County of Los Angeles (County) to address affordable housing infrastructure, with a particular focus on areas along the Los Angeles River (LA River), and greening and infrastructure initiatives connected to the LA River. In developing an implementation plan, the land bank pilot will build upon the land bank model described in the June 3, 2022 report, as well as existing affordable housing programs and partnerships. Further, the plan is to identify staffing support and resources, as necessary.

Following approval of the motion, the CEO continued to discuss elements of the land bank model with the Southeast Asian Communities Alliance, Street Level Advisors, OLIN, and Gehry partners (research entities), the authors of the June 3, 2022 report. Beginning in July 2022, the CEO, research entities, Metro, and representatives from the Community Land Trusts (CLTs) held discussions to explore operational costs, staffing, and possible criteria to select parcels for acquisition. During these preliminary meetings, the CEO, research entities, Metro, and CLTs (initial team) reviewed potential parcels as examples to begin identifying selection criteria. Through these discussions, the initial team agreed that community engagement and application of existing equity and displacement tools and maps will be required. In addition, the CEO also held a meeting with ARDI, which will continue to provide recommendations on selection criteria and review the proposed plan.

¹ On June 23, 2022, the Metropolitan Transportation Authority Board adopted a motion to create a land bank, in partnership with the County, to buy land near future transit projects.

Developing an Implementation Framework

In reviewing the proposed land bank model, the CEO is identifying key policy decisions that will be required to establish the land bank pilot and guide future conversations with internal and external stakeholders. Based upon the model described in the June 2022 report, Table 1 shows steps to establish the land bank pilot in Fiscal Year (FY) 2022-23, within the following components: 1) organizational structure; 2) community partnerships; 3) funding sources; 4) geographic scope; and 5) land acquisition strategy. In FY 2023-24, the land bank entity would begin acquisition of selected parcels to create new and preserve existing affordable housing by partnering with CLTs or other mission-driven organizations. Prior to development of affordable housing, scenarios may involve an interim use, such as temporary housing for the homeless, a neighborhood park, or construction laydown for Metro.

Table 1: Roadmap for Implementing the Land Bank Pilot

Component	Estimated Timeline	Process
FY 2022-23		
1. Organizational Structure	July – Oct	<ul style="list-style-type: none"> Select law firm and/or consultants to support development of interim and long-term organizational structure of land bank pilot. Identify interim roles of departments and need for any vendors to outsource components (acquisition, management and holding of land).
	Oct – June	<ul style="list-style-type: none"> Create a long-term land bank entity to launch in FY 2023-24; determine organizational placement, staffing need.
2. Community Partnerships	July – Dec	<ul style="list-style-type: none"> Review potential partnerships with public agencies, other jurisdictions, community-based organizations, and vendors to outsource components.
3. Funding Sources	Sept	<ul style="list-style-type: none"> Propose options for securing seed funding, inclusive of administration, staffing, and infrastructure. Explore American Rescue Plan Act; develop proposal.
4. Geographic Scope	July – Oct	<ul style="list-style-type: none"> Establish criteria to select and prioritize properties based upon equity, highest risk for gentrification and displacement.
5. Land Acquisition Strategy	Oct – June	<ul style="list-style-type: none"> Identify viable, available properties to acquire (including tax-defaulted Chapter 8 properties; market-rate), with community partners, nonprofits, transit agencies, local jurisdictions. Develop plan for interim use (as needed); develop agreements.

Identifying Staffing and Resources

During the fall of 2022, the CEO, in consultation with County Counsel, plans to hire a law firm or consultant to support development of the interim and long-term organizational structure of the land bank pilot. The CEO, in partnership with County Counsel, a law firm, and/or other consultant(s), will develop recommendations to create an interim and long-term structure for the land bank entity. An interim structure would be created during FY 2022-23, and the CEO proposes that a long-term structure for the land bank be launched in FY 2023-24.

In the next 30 days, the CEO plans to convene a larger working group to review policy decisions, including selection criteria of parcels. The working group would consist of both internal and external partners named in the motion, the research entities, and CLTs. In collaboration with ARDI, the working group would design the project to include selection criteria of property, as well as mapping geographic focus areas and vulnerable populations most impacted by COVID-19 and in need of affordable housing. The map and selection criteria will guide the working group and the interim land bank in prioritizing properties for acquisition. Additionally, selection criteria developed through the County's Pilot CLT Partnership Program and the CEO's previous research,² will be considered. TTC would advise on selection of tax-defaulted properties, and in a later phase, a real estate broker could be hired to further review available, viable properties with the land bank entity, partners, and the community. Further, the working group will collaborate with local cities and engage communities during the launch and ongoing implementation of the land bank pilot.

Next Steps

In September 2022, the CEO will provide the Board with recommendations in response to the second directive of the motion, which instructs the CEO to present options for securing at least \$50 million in seed funding inclusive of County departments' administrative costs, staffing, and necessary infrastructure for successful implementation of the program and further securing ongoing funding from State and federal sources for the creation and operation of the land bank pilot.

Should you have any questions concerning this matter, please contact me or Cheri Todoroff, Executive Director of the Homeless Initiative, at (213) 974-1752 or ctodoroff@ceo.lacounty.gov.

FAD:JMN:CT
VD:yy

c: Executive Office, Board of Supervisors
County Counsel
Public Works
Regional Planning
Treasurer and Tax Collector
Los Angeles County Development Authority
Metropolitan Transportation Authority

² CEO. Progress Report: Creating Opportunities for Building Equity – Developing a Pilot Community Land Trust Partnership Program. July 26, 2022; CEO. *Prioritizing Affordable Housing in Areas with High Displacement Risk*. August 17, 2020.



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September 20, 2022

To: Supervisor Holly J. Mitchell, Chair
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From: Fesia A. Davenport
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This memorandum responds to the motion's second directive that instructed the CEO to develop a plan and report back with options for securing at least \$50 million in seed funding inclusive of County departments administrative costs, staffing, and necessary infrastructure for successful implementation of the program and further securing ongoing funding from State and federal sources for the creation of the land bank pilot.

¹ On June 23, 2022, the Metropolitan Transportation Authority Board adopted a motion to create a land bank, in partnership with the County, to buy land near future transit projects.

Securing Funding Sources

On September 13, 2022, the Board approved the proposed Phase Two spending plan for the County's allocation of the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds. The recommendation for Board approval includes \$40 million in ARP funds for the land bank pilot. Evaluation of ARP requirements and timelines are being considered and reviewed by County Counsel. In July 2022, the United States Department of Treasury issued new guidelines for using the State and Local Fiscal Recovery Funds, a part of ARP, for affordable housing production and preservation, which permits land acquisition for future development of affordable housing.²

To supplement ARP funds and fund the land bank pilot at \$50 million, the CEO may request the remaining \$10 million from the Fiscal Year 2022-23 Affordable Housing Programs Budget. This amount may be comprised of the Board's previous remaining allocations totaling \$5.4 million for affordable housing acquisition.³ An additional \$4.6 million may be requested from the Affordable Housing Programs Budget at a future budget phase, as sufficient funds are available. As the organizational structure and model of the land bank are developed, sources for ongoing funding will be identified.

Convening a Team of Experts

During the fall of 2022, the CEO, in consultation with County Counsel, plans to hire a law firm and/or consultant to support development of the interim and long-term organizational structure of the land bank pilot. On September 21, 2022, the CEO will convene a working group to identify roles of partners and review policy decisions. The working group would consist of both internal and external partners named in the motion, the research entities, and Community Land Trusts (CLTs). The research entities consist of authors of the June 3, 2022 report: 1) Southeast Asian Communities Alliance; 2) Street Level Advisors; 3) OLIN; and 4) Gehry partners. In collaboration with ARDI, the working group will design the project to include selection criteria of property, as well as mapping geographic focus areas and vulnerable populations most impacted by COVID-19 and in need of affordable housing. The map and selection criteria will guide the working group and the interim land bank in prioritizing properties for acquisition. Additionally, selection criteria developed through the County's Pilot CLT Partnership Program and the CEO's previous research will be considered. TTC will advise on selection of tax-defaulted properties, and CEO-Real Estate and/or a real estate broker could be hired to further review available, viable properties with the land bank entity, partners, and community. Moreover, the working group will collaborate with local cities and engage communities during the launch and ongoing implementation of the land bank pilot.

² <https://home.treasury.gov/system/files/136/Affordable-Housing-How-To-Guide.pdf>

³ On November 5, 2019, the Board directed the CEO to allocate during the FY 2020-21 Recommended Budget an amount not less than \$15 million to the CEO Affordable Housing Budget Unit's Acquisition Fund. Of this amount, \$3 million remains. On August 4, 2020, the Board directed the CEO to utilize \$7.2 million in unclaimed funds transferred to the County's General Fund for the Affordable Housing Trust Fund to acquire properties and preserve affordable housing in areas of the County at risk of displacement and gentrification. Of this amount, \$2.4 million remains.

Next Steps

As described in the June 2022 report, Table 1 shows steps to establish the land bank pilot.

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