

**SUBSTITUTE MOTION BY SUPERVISORS HILDA L. SOLIS November 15, 2022
AND SHEILA KUEHL**

Launching the Land Bank Pilot Program

The COVID-19 pandemic has exacerbated Los Angeles County’s (County) housing crisis, creating even more housing insecurity and economic instability. Before the pandemic, 56% of County renters were rent-burdened, paying over 30% of household income on rent. Those who are rent-burdened are disproportionately more likely to be individuals of color. As the pandemic has continued, causing employment and economic slowdowns, the number of rent-burdened residents has grown, most acutely targeting marginalized communities. Now, nearly half of renters in the County are behind on rent, owing a median of \$2,800. These households are often forced to make sacrifices to remain sheltered. To afford rent, more than 60% of housing burdened renters cut back on food, 45% on clothing, and 33% on transportation. Many have assumed additional debt. These cutbacks are more severe in places where rents are increasing the most. In response, the County has explored numerous strategies to address the housing and homelessness crisis.

MOTION

SOLIS	_____
KUEHL	_____
HAHN	_____
BARGER	_____
MITCHELL	_____

On March 1, 2022, the Board of Supervisors (Board) adopted a motion introduced by Supervisors Hilda L. Solis and Sheila Kuehl to prevent real estate speculation and create new opportunities for affordable housing in areas experiencing and set to experience rapid gentrification and displacement. The motion instructed the Chief Executive Officer, in collaboration with the Department of Public Works, the Anti-Racism Diversity and Inclusion Initiative (ARDI), Metro, and outside partners to report back to the Board on a viable land banking model that would operate at a regional scale to support affordable housing preservation and production with a dedicated and ongoing source of funding.

On June 14, 2022, the Board approved a motion to establish a Land Bank Pilot Program (Pilot). The motion directed the Chief Executive Officer (CEO), in consultation with the Los Angeles County Development Authority (LACDA), Metro, and other County Departments, to report on steps to create the land bank pilot within the County to address affordable housing infrastructure. The CEO provided recommendations to establish the land bank in reports dated August 30, 2022 and September 20, 2022 that expanded upon the recommendations contained in the June 3, 2022 report. On September 13, 2022, the Board approved the Phase Two spending plan for the County's allocation of American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds, which included \$40 million in ARP funds for the Pilot. The CEO has also identified an additional \$10 million in Affordable Housing Programs Budget funding that can be allocated towards the Pilot. With funding identified, additional actions are necessary to advance the Pilot and begin building the framework for a permanent Land Bank Program.

WE THEREFORE MOVE that the Board of Supervisors

1. Find that the below actions are not subject to the California Environmental Quality Act (CEQA) because they are activities that are excluded from the definition of a project by section 15378(b) of the State CEQA Guidelines, as they create a government funding mechanism that does not involve any commitment to a specific project which may result in a potentially significant physical impact of the environment. Upon approval of the below actions, the Chief Executive Office will file a Notice of Exemption (Notice) with the County Clerk pursuant to section 21152 of the Public Resources Code and will post the Notice to the County's website pursuant to section 20192.2 of the Public Resources Code.
2. Find, pursuant to Government Code Section 26227, that the implementation of the Land Bank Pilot Program (Pilot) is necessary to meet the social needs of the population of the County and achieve the public purposes of increasing the stock of affordable housing which benefits County residents;
3. Direct the CEO, or her designee, to allocate from the Affordable Housing Programs Budget an amount not to exceed \$10 million, of one-time funding, from the FY 2022-23 Affordable Housing Programs Budget unit, for the Pilot to fund the implementation and administration of the Pilot, including but not limited to maintenance and security of the County acquired properties for the Pilot;
4. Authorize the CEO, or her designee, to execute sole-source agreements and any necessary amendments and/or amend existing agreements with consultants and nonprofit organizations as needed for the implementation and administration of the Pilot;

5. Direct the CEO, or her designee, to designate County and/or consultant staff to lead efforts related to implementation of the Pilot and the development of a framework for a potential permanent Land Bank Program, inclusive of a robust outreach process with cities, nonprofit organizations, community-based organizations, and stakeholders. The permanent Land Bank Program framework should consider a model in which a nonprofit entity leads its activities;
6. Direct the CEO, or her designee, to identify for potential purchase at least one property in each Supervisorial District under the Pilot utilizing a strategic acquisition plan that includes the following:
 - a. Analyses of regional investments that may accelerate displacement and gentrification, such as the near-term construction of Metro Rail projects, Metro bike path projects, new venues, and other catalytic investments;
 - b. Early action sites where land assembly, acquisition and development is possible within the next 18 months where the threat of displacement is greatest;
 - c. Require that acquisitions shall be located within the Highest, High, or Moderate Need Category as identified by the ARDI Initiative Equity Explorer Map;
 - d. Staff may use one or more of the following criteria to identify potential acquisitions in collaboration with each Supervisorial office:
 - i. Site is located within two miles of the Los Angeles River;
 - ii. Site is located within two miles of major infrastructure improvements including within one mile of a transit station or stop;

- iii. Site is between 0.5 and 2.0 acres and could support a minimum of 20 dwelling units per acre.
 - e. Acquired properties shall be developed primarily with affordable housing as feasible, with consideration for any mixed-use development. Potential acquisitions should be reviewed with staff from other Departments as well as LACDA to ensure the site is appropriate for affordable housing; and
- 7. Authorize the CEO, or her designee, to develop acquired properties with intermediate beneficial uses if financially feasible within the cost of the seed funding outlined above and take steps to ensure that contemplated developments on the sites will use innovative affordable housing development models with the goals of reducing development costs, simplifying financing, leveraging private investment, and efficient site selection, all of which will feed into a sustainable funding model for the land bank
- 8. Authorize the CEO, or her designee, to execute the Purchase and Sale Agreements, approved as to form by County Counsel, and to purchase the properties utilizing ARP-enabled funding, and take all further actions necessary and appropriate to effectuate and implement the transactions contemplated herein, including opening and management of escrow, any administrative adjustments to the transfer documents, execution of all the requisite documentation for the completion of the transfers and acceptance of the deeds conveying title to the properties to the County of Los Angeles;

9. Authorize the Auditor-Controller to issue warrants, as directed by the Chief Executive Officer or her designee, for the purchase of the properties and any other related transactional costs;
10. At the close of escrow for each property, instruct the Assessor's Office to place the properties under the complete ownership of the County, and remove the Properties from the tax roll effective upon the transfer of title to the County of Los Angeles;
11. Direct the CEO, or her designee, to develop a step-by-step guide for projects undertaken through the Pilot. The guide should include the following:
 - Coordination and outreach with cities and stakeholders;
 - Preparation of an operations and maintenance strategy and budget for each site for each acquisition; and
 - Preparation of site-specific affordable housing development models in partnership with the respective Supervisorial office.
12. Direct the CEO, or her designee, to report back in writing in 90 days with initial progress made on implementation efforts and again in 180 days with an update on the pilot program and recommendations for a permanent land bank framework.

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