

MOTION BY SUPERVISOR HOLLY J. MITCHELL

March 3, 2026

Supporting Catalytic Economic and Capital Development Through a Consolidated Los Angeles County Trust Fund

As development costs rise and small businesses and community-rooted developers face mounting challenges, Los Angeles County (County) must establish a centralized, flexible fund to support equitable community development that helps prevent the displacement of legacy and community-serving businesses, supports community-led revitalization through catalytic mixed-use development, and attracts businesses that provide family-sustaining wages. These challenges are particularly acute in historically under-resourced communities, where limited access to flexible capital has contributed to commercial vacancy, displacement, and underinvestment.

The County Board of Supervisors (Board) has long supported community-driven and place-based economic development strategies that expand economic opportunities and allow residents and small businesses to remain and thrive in their communities. In furtherance of this strategy, the Board established the Economic Development Trust Fund (EDTF) in 2015, administered through the Chief Executive Office and the Los Angeles County Development Authority. EDTF provides grants and loans to advance community-led economic development, support mixed-use and commercial development on commercial corridors, transform vacant and underutilized properties into affordable commercial space, promote industry and job growth in emerging sectors such as

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bioscience and advanced manufacturing, renovate small business facades to activate the public realm and attract customers, and more. These investments have helped to activate underutilized properties throughout the County while strengthening commercial corridors and creating economic opportunities. On July 1, 2022, the Department of Economic Opportunity assumed primary administrative responsibility for the EDTF.

However, the EDTF is currently comprised of myriad disparate and uncoordinated funds, many of which have highly specific and restrictive use requirements that make them difficult to deploy to flexibly respond to the needs of community developers, community-based organizations, or small businesses. There is no centralized point-of-entry to access information about available funding, and some programs do not even have a webpage or accessible public information online. This siloed and restrictive funding landscape limits the County's ability to respond to evolving market conditions and advance economic and capital development that furthers this Board's and the community's priorities.

These challenges can be addressed by streamlining the EDTF into a single consolidated and flexible funding source to catalyze capital projects, attract industry, retain legacy small and community-serving businesses, and revitalize commercial corridors. A restructured EDTF with more flexible guidelines will help small businesses grow in place; attract small businesses to fill vacancies; support property acquisition, pre-development, and construction of community-serving affordable housing, mixed-use, and commercial development; grow and attract industry clusters that provide sustainable, family-supporting wages; and provide technical assistance to community-based organizations to build expertise in economic and capital development to shape the future of their communities.

This consolidated, flexible model follows best practices from other jurisdictions, including the City of Seattle's Equitable Development Initiative (EDI).¹ Seattle's EDI invests in community-led growth and anti-displacement projects, including acquiring and

¹ <https://www.seattle.gov/opcd/current-projects/equitable-development-initiative#background>

activating commercial spaces, developing affordable housing, and expanding access to the social determinants of health and advancing equity. Since its establishment in 2016, EDI has awarded approximately \$116.5 million to 77 unique projects, including pre-development, site-acquisition, construction, and capacity building. These projects promote community-driven economic development, further access to childcare, parks, health and human services, prevent displacement, and expand access to opportunities to ensure Seattle grows as a city where those of all races, cultures, and incomes can thrive. A unique feature of EDI is its technical assistance and support for community-based organizations to develop local capacity among community leaders to shape the future of their communities. 1/3 of EDI participants to-date cite technical assistance and guidance through the development and site acquisition process as a particular benefit of their participation in the EDI program.² Program participants have also leveraged EDI funding to secure matching funds from other public and private investors. Moreover, New York City Economic Development Corporation's loan and grant platforms and San Diego County's centralized economic development financing programs have improved access to capital for small businesses and community-serving development by pairing flexible financing with technical assistance and streamlining applications while prioritizing equity.

By consolidating and streamlining the EDTF, the County can flexibly respond to the needs of the community, small businesses, and industry, and facilitate transformative economic and capital development projects that preserve and build complete and thriving communities. This builds on the Board's longstanding economic development strategy by aligning existing resources while supporting small businesses to grow in place, attracting community-serving businesses to vacant storefronts, advancing mixed-use development, and centering the leadership of marginalized communities in shaping the future of their neighborhoods.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

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<https://www.seattle.gov/documents/Departments/OPCD/OngoingInitiatives/EquitableDevelopmentInitiative/OPCD-EDIProgramAndProjectsStatusReportOctober2024.pdf>

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1. Direct the Director of the Department of Economic Opportunity (DEO), in partnership with the Acting Chief Executive Officer (CEO), to evaluate and recommend a structure to consolidate or align existing funding sources within the Economic Development Trust Fund (EDTF), including, but not limited to:
 - a) The Manufacturing Revolving Loan Fund;
 - b) Los Angeles County (County) Business Recovery Loan Program funding administered by DEO on behalf of Metro;
 - c) Catalytic Development Fund, both one-time and ongoing allocations;
 - d) RENOVATE Façade Improvement Program dollars; and
 - e) \$1 million of Bioscience Revolving Loan Fund planned for aligned uses, such as tenant improvements.

Moreover, funds allocated to the County Anti-Displacement Commercial Acquisition Fund pursuant to the April 1, 2025, motion titled, "Supporting Commercial Corridors as Community Anchors by Expanding the Commercial Acquisition Fund Program," should not be incorporated into the consolidated EDTF. Additionally, any funding required to complete RENOVATE Facade Improvement Program projects that are currently being planned and/or underway should not be transferred into the consolidated EDTF.

2. Direct the Acting CEO to allocate \$2.4 million in one-time net County cost to the EDTF, funded through repayment of the La Alameda loan from the Los Angeles County Development Authority (LACDA) to the County during the Fiscal Year (FY) 2026-27 budget process, subject to the Fiscal Resilience Process.
3. Direct the Director of DEO, in partnership with the Acting CEO, to design the consolidated EDTF to support the full range of economic and real estate development activities and report back in writing with an implementation plan including, but not limited to:
 - a) The EDTF structure, loan and grant guidelines, and plan to administer the funds;
 - b) Eligible uses including, but not limited to: capacity building and technical

assistance for community-based organizations, developers, and small businesses; tenant improvements and commercial build-outs; equipment for small businesses; site and property acquisition; pre-development activities, such as feasibility analyses, engineering, design, environmental review and entitlement support; construction and permanent financing; small business support for industry clusters that provide family-sustaining wages; strategies that address commercial vacancy and prevent displacement;

- c) Timeline for implementation;
 - d) A strategy to leverage federal Community Development Block Grant (CDBG) funding for the RENOVATE Facade Improvement Program in the EDTF; and
 - e) Equity-based criteria for project proposal evaluation and prioritization.
4. Direct the Director of DEO to establish an EDTF webpage on the DEO website to serve as a single point-of-entry for community-based organizations, developers, small businesses, or other stakeholders to access information and apply for funding for all County economic and capital development loan and grant programs. The webpage should include information on available funding, eligibility criteria, application process, and technical assistance resources and should be launched within 120 days.
 5. Direct the Director of DEO, in partnership with the Acting CEO, to identify potential non-County funding sources to capitalize and sustain the EDTF on an ongoing basis, including state and federal funding opportunities, philanthropic partnerships, and strategies to leverage private capital.
 6. Direct the Director of DEO, in partnership with the Acting CEO, to identify potential County funding sources to capitalize and sustain the EDTF on an ongoing basis, including existing County funds, loan repayments, Redevelopment Agency Dissolution funds, including funding returned to the County pursuant to its Recognized Obligation Payment Schedules, and Redevelopment Asset Sales,

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subject to the Fiscal Resilience Process.

7. Direct the Director of DEO to develop equity-focused performance metrics for EDTF, including measures related to geographic distribution, business type, displacement prevention, and job quality, and publish those metrics through a publicly accessible dashboard.
8. Direct the Director of DEO, in partnership with the Acting CEO, to report back to the Board in writing in 90 days on all aforementioned directives, including the EDTF structure, recommended eligible uses and program guidelines, identified funding sources, a proposed approach to consolidate existing funds, equity metrics, and a timeline for implementation and launch of the EDTF webpage.
9. Delegate authority to the Director of DEO, or their designee, to negotiate, execute, and amend agreement(s) necessary to implement and advance the directives in this motion. The Board shall waive the requirements of Board Policy No. 5.100 for these agreements. These agreement(s) and any amendment(s) shall be approved as to form by County Counsel. The Department will fund the agreement(s) using funds currently in their Board-approved FY 2025-26 operating budget.
10. Direct the Director of DEO, in partnership with the Acting CEO, and Executive Director of LACDA, and any other relevant County Department heads, to identify funding to conduct neighborhood studies, as aligned with the County's 2025-2030 Comprehensive Economic Development Strategy adopted by the United States Economic Development Administration, to proactively identify priority commercial corridors and geographic areas for economic and capital development projects to inform where EDTF funding deployment could be prioritized in the future.

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