THE
HOLLYWOOD
PARTNERSHIP

To: Board of Directors
From: Kathleen Rawson, Steven Welliver
Date: July 30, 2026
Subject: Neighborhood Reinvestment Program Framework

Staff Recommendation

Staff recommends Board of Directors take the following actions:

1. Approve the draft Management District Plan for the Hollywood Entertainment District Property-Based Business Improvement District renewal.
2. Approve the draft Management District Plan for the Hollywood Tourism Improvement District formation.
3. Authorize staff to submit Management District Plans for both districts to the City of Los Angeles for preliminary legal and regulatory review.
4. Direct staff to return to the Board of Directors with a complete Neighborhood Reinvestment Program package and seek authorization to proceed.

Prior Action

June 18, 2026: Board of Directors conducted a strategic planning session to revise Neighborhood Reinvestment Program objectives and direct staff which scenario to pursue.
Jan. 15, 2026: Board of Directors directed staff to pursue a broader Neighborhood Reinvestment Program inclusive of both tourism improvement district formation and property-based business improvement district renewal.

Information

- The Hollywood Partnership (THP) and Hollywood Partnership Community Trust (HPCT) are pursuing Hollywood Scene Change: a Neighborhood Reinvestment Program (NRP).
- The NRP is inclusive of both the formation of a Hollywood Tourism Improvement District (HTID) and a one-year early renewal of the Hollywood Entertainment District Property-Based Business Improvement District (HED PBID).
- This concurrent process has allowed for comprehensive vision setting, revenue forecasting, service planning, and community outreach for the future of the neighborhood.
- Based on feedback from the board at a recent strategic planning session, staff and the project consultant team have prepared draft Management District Plans (MDPs) for the HED PBID and HTID.
- A recording of staff presenting the overview of both districts has been made available to the board as well as the presentation slide deck. (*See Attachments A & B*)

<u>Summary of Key Points - HED PBID</u>

- The draft Management District Plan for the 10-year renewal of the HED PBID provides a comprehensive overview of the proposed district. (*See Attachment C*)

- Key points of the proposed plan are summarized as follows:
  - Redraws outer boundary to establish total district service area of 0.93 sq. mi.
  - Establishes three benefit zones with varying levels of each proposed service
  - Establishes an assessment methodology wherein the parcel square footage and building square footage for each property are multiplied by the rates set per sq. ft. of parcel and per sq. ft. of building in the benefit zone the property occupies
  - Sets a flat rate per unit for residential condominiums in each benefit zone
  - Sets a 40% assessment discount for 100% affordable housing properties owned by non-profit and/or governmental entities
  - Allocates 66% ($10,990,769) of initial assessments to Environmental Services, including safety, cleaning and operations
  - Allocates 26% ($4,329,697) of initial assessments to Vibrancy Services, including placemaking, events, economic development, business support, tourism, visitor experience, policy, planning and advocacy
  - Allocates 8% of ($1,332,214) of initial assessments to Administration & Collections
  - Authorizes the board to reallocate funds between categories by up to 10% annually
  - Establishes a matrix by which each proposed service is prioritized for resource allocation within each benefit zone (*See Attachment D*)
  - Establishes three overlay zones to provide supplemental benefits to certain areas of the district not necessary to be provided districtwide
  - Establishes an assessment methodology wherein the linear feet of parcel frontage qualifying a property for overlay services is multiplied by the rate set per linear foot in the overlay zone the property occupies
  - Establishes the change in the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim metropolitan statistical area as the automatic minimum annual increase to assessment rates
  - Authorizes the board to impose an additional discretionary increase greater than CPI up to a maximum of 4% in the second and third years of the district term and a maximum of 7% in the fourth through tenth years of the district term
- As proposed, property assessment revenues are anticipated to total $16,752,446.87 in 2028, the initial operating year of the new district term.

<u>Summary of Key Points - HTID</u>

- The draft Management District Plan for the 5-year formation of the HTID provides a comprehensive overview of the proposed district. (*See Attachment E*)
- Key points of the proposed plan are summarized as follows:
  - Establishes the outer boundary of the district service area to be consistent with that of the HED PBID
  - Establishes that only hotel and lodging businesses are subject to the assessment, which may be passed through directly to the consumer
  - Sets the assessment rate at 1.5%, for the 5-year duration of the district term, on any consumer charges that are also subject to Transient Occupancy Tax
  - Establishes a menu of tourism and visitor experience services to be provided

- As proposed, tourism business assessment revenues are anticipated to total $2,700,000 in the initial operating year; actual revenues will vary with economic performance.

Next Steps & Outstanding Deliverables

- Continuation of the process requires submission of the MDPs and property and business databases to the City of Los Angeles for preliminary review and alignment to state and local law.
- For the HED PBID to be eligible for early renewal, submission to the City must occur in Aug.
- While the City reviews, THP will concurrently complete other deliverables including:
    - An economic impact study (in progress) to estimate the financial benefit of the proposed service plans to the district
    - An engineer's report (in progress) to confirm the proposed assessment methodology equitably distributes the cost burden of proposed services in correspondence to the benefit received by each property
    - A new 5-year strategic plan to guide THP and HPCT's implementation of priority projects, programs and initiatives
    - A preliminary 2-year implementation budget (in progress) to guide the transition from the current HED PBID MDP to the new HED PBID and HTID MDPs
    - A governance plan, including any necessary changes to THP bylaws and other documents, to align administration of the districts
    - A complete outreach and communications package to assist district stakeholders in making an informed decision about the Neighborhood Reinvestment Program
- Board discussion regarding the outstanding deliverable above will continue in the coming months as each component progresses.
- Staff anticipate returning to the board in Dec. 2026 with final MDPs, as revised to comply with feedback from the City, and final versions of all outstanding deliverables; the board will then need to authorize staff to proceed to the distribution of petitions.
- In the meantime, a comprehensive program website will go live and be consistently updated to keep stakeholders apprised of the process.
- Staff will also continue to meet with stakeholders to seek feedback and gauge support for the proposed districts.

Discussion Questions

- Do the proposed HED PBID assessment methodology and rates appropriately distribute the cost of services across benefit zones and result in the preferred operating budget?
  Attachment B Slide Deck - pg. 15 | Attachment C HED PBID MDP - pg. 14
- Do the proposed HED PBID budget allocations appropriately allocate assessment resources to service categories?
  Attachment B Slide Deck - pg. 17 | Attachment C HED PBID MDP - pg. 12
- Does the proposed HED PBID service level matrix appropriately establish priorities within each service category and benefit zone?
  Attachment B Slide Deck - pg. 18 | Attachment D Service Priorities Matrix

- Does the proposed HED PBID methodology for annual assessment increases create predictability for district stakeholders and sustainability for the organization?
  Attachment B Slide Deck - pg. 41 | Attachment C HED PBID MDP - pg. 10
- Does the proposed HTID assessment rate appropriately match the benefit to assessed hotel and lodging businesses and result in the preferred operating budget?
  Attachment B Slide Deck - pg. 36 | Attachment E HTID MDP - pg. 7

Next Steps

- Submission of draft MDPs, property database, and business database to City
- Continued development of outstanding deliverables required prior to petition distribution

Attachments

Attachment A: Summary Presentation - Recording
Attachment B: Summary Presentation - Slide Deck
Attachment C: Draft HED PBID Management District Plan
Attachment D: Service Priorities Matrix & Service Level Definitions
Attachment E: Draft HTID Management District Plan