

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

When making inquiries relative to
this matter, please refer to the
Council File No.

www.cityclerk.lacity.org

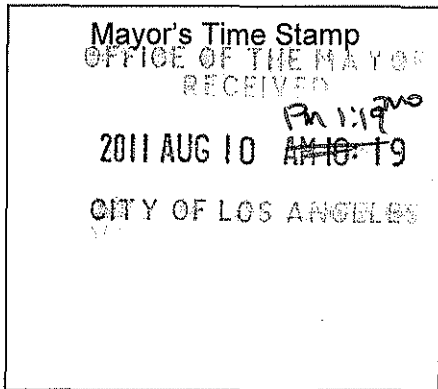
August 15, 2011

To All Interested Parties:

City Attorney (w/blue sheet)

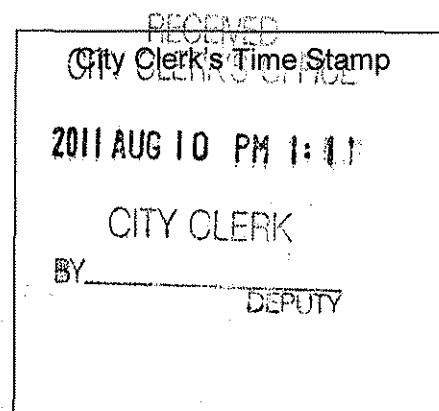
The City Council adopted the action(s), as attached, under Council File No. 11-0763,
at its meeting held August 10, 2011.

City Clerk
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TIME LIMIT FILES
ORDINANCES

FORTHWITH



COUNCIL FILE NUMBER 11-0763 COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE AUGUST 10, 2011 LAST DAY FOR MAYOR TO ACT AUG 22 2011

ORDINANCE TYPE: ☐ Ord of Intent ☐ Zoning ☐ Personnel ☒ General
☐ Improvement ☐ LAMC ☐ LAAC ☐ CU or Var Appeals - CPC No. _____

SUBJECT MATTER: AUTHORIZE PARTICIPATION IN THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM THEREBY ALLOWING THE CONTINUED EXISTENCE AND OPERATION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

PLANNING COMMISSION
DIRECTOR OF PLANNING
CITY ATTORNEY
CITY ADMINISTRATIVE OFFICER
OTHER

APPROVED

DISAPPROVED

BY _____
CITY CLERK
DEPUTY

CITY CLERK

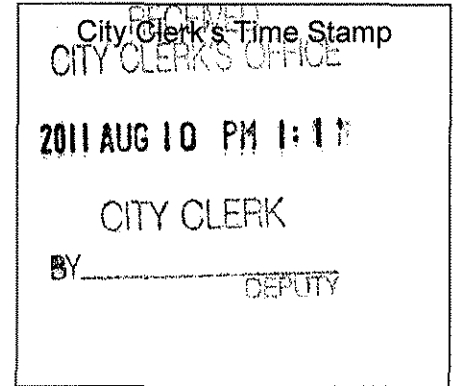
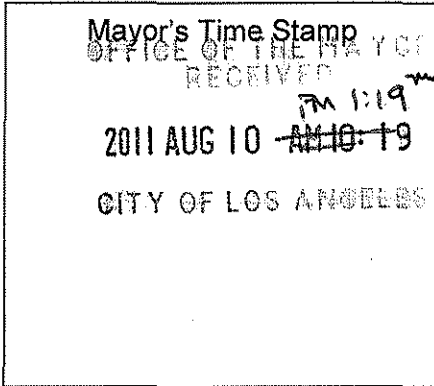
2011 AUG 11 AM 9:58

RECEIVED
CITY CLERK'S OFFICE

DATE OF MAYOR APPROVAL, DEEMED APPROVED OR *VETO AUG 10 2011
(*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)

DATE RECEIVED FROM MAYOR AUG 11 2011 ORDINANCE NO. 181835
DATE PUBLISHED AUG 12 2011 DATE POSTED _____ EFFECTIVE DATE AUG 12 2011
ORD OF INTENT: HEARING DATE _____ ASSESSMENT CONFIRMATION _____
ORDINANCE FOR DISTRIBUTION: YES ☐ NO ☐



FORTHWITH

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 11-0763

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE AUGUST 10, 2011

RE: APPROVAL OF A REMITTANCE FUNDING AGREEMENT AUTHORIZING PARTICIPATION IN THE
STATE OF CALIFORNIA'S VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM

LAST DAY FOR MAYOR TO ACT AUG 22 2011
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

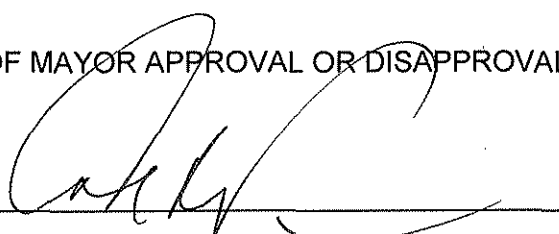
APPROVED

✓

*DISAPPROVED

*Transmit objections in writing
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL AUG 10 2011


MAYOR

RECEIVED
CITY CLERK'S OFFICE
2011 AUG 11 AM 9:58
BY _____
CITY CLERK
DEPUTY

#9 #23

8/10/11

File No. 11-0763

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT Committee

reports as follows:

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT, RESOLUTIONS and ORDINANCE relative to adoption of an ordinance and approval of a remittance funding agreement authorizing participation in the State of California's Voluntary Alternative Redevelopment Program.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. PRESENT and ADOPT the accompanying ORDINANCE (Attachment B of the joint City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) report dated August 5, 2011), including findings, authorizing participation in the Voluntary Alternative Redevelopment Program (VARP) pursuant to Parts 1.9 of Division 24 of the California Health and Safety Code thereby allowing the continued existence and operation of the Community Redevelopment Agency of the City of Los Angeles (CRA), including the making of the required annual remittance payments to the County Auditor-Controller (\$97.3 million for Fiscal Year (FY) 2011-12). On August 1, 2011, the California Director of Finance calculated the City of Los Angeles' (City) remittance payment to be \$96.5 million for 2011-12. The CRA states that the additional amount will be a contingency and the funds will be released back to the respective project areas if not needed).
2. AUTHROIZE the CRA Chief Executive Officer (CEO), or designee, and the CAO, or designee, with the assistance of the CLA to negotiate and execute a Remittance Funding Agreement for the transfer of funds by the CRA to the City in an amount sufficient for the City to make the required annual remittance payments to the County Auditor-Controller under the VARP and for the purpose of financing certain specified activities within the City's redevelopment area, subject to the review and approval of the City Attorney as to form and the CRA Board of Commissioners (Board).
3. APPROVE the:
 - a. Required \$97.3 million remittance payment for 2011-12 from the CRA to the City subject to the review and approval of the CRA Board (Attachment C of the joint CAO and CLA report).
 - b. CRA's request to waive its five percent contribution (approximately \$5.7 million) to the City's Affordable Housing Trust Fund for 2011-12 pursuant to the Amended and Restated Master Cooperation Agreement for the City's Affordable Housing Trust Funds and to use these funds as part of the \$97.3 million remittance payment for 2011-12, subject to the review and approval of the CRA Board (Council file No. 08-0689, Attachment E).
4. INSTRUCT the CRA to work closely with the Los Angeles Housing Department (LAHD) to ensure that projects that were previously approved and have funds leveraged by LAHD and the CRA can proceed in an expeditious manner.

5. AUTHORIZE the Controller to:
 - a. Establish a new fund entitled the VARP Fund to be administered by the CAO to deposit the funds from the CRA and use interest earned thereon for City costs associated with the administration of the VARP Fund. (Upon receipt of funds, separate accounts should be created in accordance with VARP. All expenditures from the VARP Fund should be consistent with existing City policy and expenditure procedure.)
 - b. Make annual remittance payments to the County Auditor-Controller pursuant to the Remittance Funding Agreement for participation in the VARP.
6. ADOPT the accompanying JOINT RESOLUTION by the Council and the CRA Board making certain findings and determinations in accordance with Assembly Bill (AB) 1x-27 and authorize the CRA to reduce its allocation to the Low and Moderate Income Housing Fund by the estimated amount of \$12.1 million during 2011-12 (Attachment D of the joint CAO and CLA report), subject to the review and approval of the CRA Board and the City Attorney as to form.
7. INSTRUCT the CRA CEO, or designee, to:
 - a. Report to the Mayor and Council: a) by August 31, 2011 with revised budget schedules and an updated CRA staffing plan for the CRA's 2011-12 Proposed Budget and Work Program which reflects the reduction in funding available to the CRA based on the required annual remittance payment and b) by January 1, 2012, with a three-year CRA staffing plan (2012-15) that would address the balancing of resources required to meet the City's work program priorities in light of diminishing resources.
 - b. Report to the Council if there is a reduction in the FY 2011-12 payment as the result of an appeal to determine how the funds will be used (ie., as a contribution to the City's Affordable Housing Trust Fund or returned to the project areas).
8. INSTRUCT the CLA and the CAO to report on the CRA's 2011-12 Proposed Budget and Work Program and include the impacts on the CRA staff, operations, work program and future implications of the \$97.3 million required annual remittance payment to the County Auditor-Controller for 2011-12.
9. REQUEST the City Attorney to monitor the litigation and report to the Council once the Court acts.
10. AUTHORIZE an appeal of the determination of the California Director of Finance that City's remittance payment for 2011-12 is \$96.5 million.
11. APPROVE the following actions related to the Linda Vista Affordable Housing Project and REQUEST the CRA Board to:
 - a. Amend the CRA Adelante Eastside Project Area and Monterey Hills Project Area Proposed FY 2012 Budgets to authorize the transfer of \$2,740,000 of Adelante Eastside Low and Moderate Income Housing Funds and \$2,260,000 of Monterey

Hills Low and Moderate Income Housing Funds into a new objective (EA1150) and authorize the expenditure of \$5,000,000 for the Linda Vista Senior Apartment project.

- b. Authorize the CEO, or designee, to execute a Letter of Commitment with AMCAL Multi-Housing, Inc. not to exceed \$5 million for the development of Linda Vista Apartments Project.
 - c. Amend the CRA Central Industrial Redevelopment Project Area proposed FY 2012 Budget to authorize the expenditure of \$250,000 of FY 2012 Central Industrial Tax Increment funds to fund the purchase of capital equipment for the GreenBar Collective Project (CI2150).
12. APPROVE the following actions related to the Brownfields Cleanup Grants and REQUEST the CRA Board to authorize the CEO, or designee, to:
- a. Accept federal grant funds and execute and implement two Brownfields Cleanup Grant agreements with the US Environmental Protection Agency for the remediation of environmental contamination at the Slauson/Wall Site (5867 South Los Angeles Street) and Wilmington Block 27 Site (522 McFarland Avenue).
 - b. Authorize a 20% match of up to \$40,000 from Council District Nine Redevelopment Project Area tax increment for the Slauson/Wall Site.
 - c. Authorize the amendment of the CRA budget and work program for the fiscal year in which the funds from the grant agreements are received, to reflect the receipt and allocation of grant proceeds up to \$400,000 for the two sites into the appropriate budget line items.
 - d. Negotiate and execute contracts and subcontracts in an amount not to exceed \$440,000 to execute the work required by the grant agreements.
13. APPROVE the following actions related to the Sylmar Court Project and REQUEST the CRA Board to:
- a. ACKNOWLEDGE and APPROVE the CRA's implementation of the Sylmar Court Project under the Cooperation Agreement for Payment of Costs Associated with certain CRA Funded Capital Improvements, Public Improvements and Affordable Housing Projects, dated as of March 10, 2011, between the CRA and the City.
 - b. Amend the CRA Pacoima/Panorama City Redevelopment Project Area proposed FY 2012 Budget to transfer \$2,100,000 of tax increment funds from budget line item Economic Development (PC 2210) to budget line item Affordable Housing (PC 1450) for development of Sylmar Court Apartments.
 - c. ADOPT the accompanying FINDING OF BENEFIT RESOLUTION (Attached to the Council file) making a finding that the expenditure of Low and Moderate Income Housing Funds and Tax Increment Funds outside of the CRA Pacoima/Panorama City Project Area for the proposed Sylmar Court project is of benefit to the project area.

- d. Authorize the CRA CEO, or designee, to negotiate and execute Purchase and Sale Agreement and other related documents with Sylmar Court, L.P., a California limited partnership, and authorize expenditure in an amount not to exceed \$3,100,000 for all costs associated with the purchase of the sites located at 12415-12421 San Fernando Road and 14938 Astoria Street.
- e. Authorize the CRA CEO, or designee, to negotiate and execute contracts no earlier than 30 days from the CRA Board's adoption of a Replacement Housing Plan for the site, in an amount not to exceed \$800,000 for costs associated with site management and security.

Fiscal Impact Statement: The CLA and CAO report that there is no City General Fund impact if the City opts to continue redevelopment activities under AB 1x-27. Due to the enactment of AB 1x-26 and 1x-27, the Community Redevelopment Association estimates the CRA's prorata share of the \$1.7 billion share to be \$97.3 million for FY 2011-12. The California Director of Finance has calculated the City's prorata share to be \$96.5 million for FY 2011-12. Starting in 2012-13, AB1x-27 requires two ongoing annual payments. Based on a four-year projection period (2012-16), preliminary estimates show the CRA's share ranges between \$25.5 million and \$28.4 million. The amount in subsequent years may be reduced as project areas expire, but could increase as new project areas are adopted or if bonds are issued in the future. There is an unknown negative fiscal impact if the City of Los Angeles is the successor agency under AB 1x-26. The City's Financial Policies are not applicable to the CRA. The CRA is only bound by the disclosure provisions of the City's Debt Management Policies.

Community Impact Statement: None submitted.

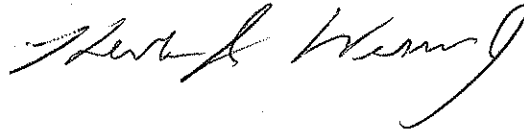
(URGENCY CLAUSE – 12 Votes Required)

SUMMARY

At a regular meeting held on August 10, 2011, the Housing, Community and Economic Development Committee considered the adoption of an ordinance and approval of a remittance funding agreement authorizing participation in the State of California's Voluntary Alternative Redevelopment Program. Representatives from the CLA, CAO, City Attorney's Office, and CRA gave the Committee background information on the matter. After an opportunity for public comment was held, the Committee amended the recommendations contained in the joint CAO and CLA report to include instructions related to the Linda Vista Affordable Housing Project, Greenbar Project, Sylmar Court Project, and the Brownfield Cleanup Grants. The Committee then recommended the Council approve the recommendations contained in the joint CAO and CLA report as amended. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE



MEMBER	VOTE
WESSON:	YES
REYES:	YES
ALARCON:	ABSENT
CARDENAS:	YES
PERRY:	YES

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Not Official Until Council Acts

ADOPTED

AUG 10 2011

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH