

CITY OF LOS ANGELES
CALIFORNIA

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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

July 5, 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 July 1, 2011.

City Clerk
VCW

#12

7/1/11

COMMUNICATION**TO: LOS ANGELES CITY COUNCIL****FILE NO. 11-0763****FROM: COUNCILMEMBER HERB WESSON, CHAIR
COUNCILMEMBER RICHARD ALARCON, MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

COMMUNICATION FROM CHAIR AND MEMBER, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE relative to review and approval of the Community Redevelopment Agency (CRA) proposed Fiscal Year 2011-12 budget.

Recommendations for Council action:

1. ADOPT a three-month limited budget authorization for the Fiscal Year 2011-12 CRA Multi-Year Proposed Budget and Work Program for the period July 1, 2011 to October 1, 2011. Interim Budget authority will be limited to the CRA's ongoing payroll obligations, additional carry-overs and expenses on specific projects approved and budgeted for by the CRA Board of Commissioners (Board) and the Council, contractual obligations, debt service, operating expenses, and any items of an emergency nature as determined by the City Controller, contingent upon a full review and approval of the 2011-12 Budget by the Mayor and Council during this period and to allow sufficient time for the CRA Board to meet and ratify the budget.
2. LIMIT CRA budgeted staffing levels to its current position level (213 authorized positions). All new employee hires and back fill authority will be contingent upon approval of the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) and will be considered in the context of the 30-day report requested in Recommendation No. Five.
3. REQUEST CRA to include an analysis of the impact on the respective project area's ability to meet a State contribution payment, if required, for 2011-12 in its Board reports that contain recommendations that are subject to Council Oversight.
4. REQUEST the CRA Chief Executive Officer, or designee, to: a) implement redevelopment projects and activities approved by the CRA Board and Council; b) limit work on new requests and initiatives to those that do not require a significant commitment of CRA funds; and c) re-evaluate existing pipeline projects to determine feasibility.
5. INSTRUCT the CLA and CAO, with the assistance of the City Attorney and CRA, to:
 - a. Review and analyze the impact of Assembly Bills (AB) 1x-26 and 1x-27 (Blumenfeld) or similar legislation on the City of Los Angeles and the CRA and report in 30 days to the Mayor and Council including, but not limited to, specifics on how the CRA would meet the City's projected contribution to the State in 2011-12 and potential impacts on each project area's proposed work program and associated staffing levels.
 - b. Report in 30 days to the Mayor and Council on the steps necessary to authorize the CRA to exercise the voluntary opt-in provided for in the legislation while preserving all legal rights and remedies of the City.

6. REQUEST the City Attorney to prepare and present a draft ordinance in 30 days that would create an opportunity for the City to continue the CRA provided that the City pays its prorata share of \$1.7 billion in 2011-12 and \$400 million thereafter. The report back should also include information regarding sources of funding, possible litigation, the liabilities the City may incur, and the employment and employee relations issues related to the proposed legislation.

Fiscal Impact Statement: The CLA and CAO report that there is no City General Fund impact at this time. The Fiscal Year 2011-12 Proposed Budget and Work Program for the Community Redevelopment Agency allocates a total amount of \$430.3 million in funds primarily from tax increment receipts. If the recommendations are approved, the CRA will have a three-month limited budget authorization for July 1, 2011 to October 1, 2011 pending the review and approval by the Mayor and Council of its full 2011-12 Proposed Budget. 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.

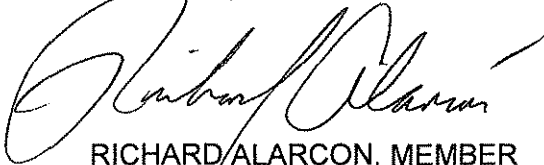
Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on June 29, 2011, the Housing, Community and Economic Development Committee considered reports regarding the review and approval of the Community Redevelopment Agency proposed Fiscal Year 2011-12 budget. Representatives from the CRA, CAO, CLA, and City Attorney offices gave the Committee background information on the matter. After an opportunity for public comment was held, the Committee recommended Council approve the recommendations contained in the joint CLA/CAO report dated June 28, 2011 along with the additional recommendation regarding the report back on a draft ordinance. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HERB WESSON, CHAIR
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE



RICHARD ALARCON, MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

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

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6/29/11
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Not Official Until Council Acts

ADOPTED
JUL 01 2011
LOS ANGELES CITY COUNCIL
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