

Los Angeles City Council, **Journal/Council Proceedings**
Wednesday, **March 9, 2011**
John Ferraro Council Chamber, Room 340, City Hall - 10:15 am

- - - SPECIAL COUNCIL MEETING - - -

10:15 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

ALL ITEMS FORTHWITH

ROLL CALL - Members present: Alarcón, Koretz, Krekorian, LaBonge, Parks, Perry, Rosendahl, Smith, Wesson and President Garcetti (10); Absent: Cárdenas, Hahn, Huizar, Reyes and Zine (5)

ROLL CALL NUMBER (#) - INDICATES THE ORDER IN WHICH THE ITEMS WERE ACTED UPON DURING THE COUNCIL MEETING

Item for Which Public Hearing Has Been Held - Item 49

ITEM NO. (49) - CONTINUED TO MARCH 18, 2011

Roll Call #1 - Adopted to Continue, Unanimous Vote (10); Absent: Cárdenas, Hahn, Huizar, Reyes and Zine (5)

[10-2440](#)
[10-2354](#)
[10-1901](#)

COMMUNICATIONS FROM THE CITY ADMINISTRATIVE OFFICER, CHIEF LEGISLATIVE ANALYST, COMMUNITY REDEVELOPMENT AGENCY (CRA) and COMMUNITY DEVELOPMENT DEPARTMENT (CDD) relative to the budget for the 37th Program Year Housing and Community Development Consolidated Plan (CDBG, HOME, HOPWA and ESG) - 2011-12 Fourth Year Action Plan, the possible repayment to CDD of the 20-year Community Development Block Grant (CDBG) loan to CRA of approximately \$4.7 million and a plan to repay the 20-year CDBG loan of approximately \$10.1 million, and authority to release a Request for Proposal for the new Los Angeles BusinessSource System.

(Housing, Community and Economic Development Committee report to be submitted in Council. If public hearing is not held in Committee, an opportunity for public comment will be provided.)

(Budget and Finance Committee waived consideration of the above matter)

(Click on the above hyperlink or go to <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm> for background documents.)

CONTINUED

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the 2011-12 (37th Program Year) Housing and Community Development Consolidated Plan (Fourth Year Action Plan).

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

- 1. FIND** that the 37th Program Year Housing and Community Development Consolidated Plan (37th PY Con Plan) - Fourth Year Action Plan will not have a significant effect on the environment, pursuant to the City's Environmental Guidelines, and in compliance with the California Environmental Quality Act of 1970; that the Notice of Exemption and Notice of Determination reflect the independent judgment of the lead Agency of the City of Los Angeles; that the documents constituting the record of proceedings in this matter are located in the Council File in the custody of the City Clerk, and adopt the Notice of Exemption and Notice of Determination for the 37th PY Con Plan, to be submitted by the Community Development Department (CDD) and attached to the Council File. All projects involving new construction and/or major rehabilitation will require the preparation of a Mitigated Negative Declaration or Environmental Impact Report on a site-by-site basis.
- 2. AUTHORIZE** the Los Angeles Housing Department (LAHD) General Manager, or designee, to sign on behalf of the City of Los Angeles, the Applications for Federal Assistance for the HOME Investment Partnership Act (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESG) programs, and the associated Grantee Certifications, subject to review and approval of the City Attorney as to form and legality, and forward the documents to CDD for further processing.
- 3. APPROVE** the 37th PY Con Plan and the related budgets for the Community Development Block Grant (CDBG) Program, HOME, HOPWA and ESG, included as Attachments A, D, E and F to the joint Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) report dated March 1, 2011, and as amended by the Council.
- 4. AUTHORIZE** the General Manager, CDD or designee, to:
 - a. Submit** the Final 37th PY Con Plan - Fourth Year Action Plan to the U.S. Department of Housing and Urban Development (HUD) upon approval by the Mayor and Council.
 - b. Sign** on behalf of the City the Application for Federal Assistance for the CDBG Program and the associated Grantee Certifications, subject to the review and approval of the City Attorney as to form and legality, and return the documents to HUD.
 - c. Prepare** Controller instructions and make technical adjustments that may be required and are consistent with the Community Development Block Grant – Recovery Act (CDBG-R) recommendation, amend the necessary Action Plan to reflect this action, and authorize the Controller to implement the instructions, subject to approval of the CAO.
- 5. CONTINUE** the hiring freeze on all Consolidated Plan-funded positions during PY37, or until subsequent Council and Mayor action.

6. **INSTRUCT** the Community Redevelopment Agency (CRA) Chief Executive Officer, or designee, to re-pay \$4,406,965 in the 36th Program Year from: Hollywood Redevelopment Area (\$3.9 million) and North Hollywood Redevelopment Project Area (\$0.5 million) Tax Increment revenues to be applied to the repayment of 20-year CDBG loans (Contract Nos. 65464 and 68887) and authorize the CDD General Manager, or designee, to accept the funds and deposit them into the Community Development Trust Fund No. 424 for inclusion as a source of funds in Phase Two or future reprogramming.
7. **INSTRUCT** the General Manager, CDD, with assistance from LAHD and the CRA, to prepare quarterly reports for submission to the Mayor and Council on program income receipts for all Consolidated Plan sources. These receipts, as well as HOME, HOPWA and ESG balances, should be provided to the CAO and CLA upon request and should include comments on any unexpended balances.
8. **APPROVE** the reprogramming of \$6.2 million in CDBG funds listed in Attachment G of the joint CLA and CAO report, subject to final verification by CDD.
9. **AUTHORIZE** the General Managers, CDD and LAHD, or designees, and other implementing departments, or designees, to: 1) prepare Controller instructions and make technical adjustments that may be required and are consistent with the joint CLA and CAO report recommendations; 2) amend the necessary Action Plan to reflect this action; and 3) authorize the Controller to implement the instructions, subject to approval of the CAO.
10. **AUTHORIZE** the CAO and CLA, with assistance from the General Managers CDD and LAHD, to make any necessary technical adjustments to the documents included in the joint CLA and CAO report to reflect Mayor and Council action approving the 37th PY Con Plan.
11. **INSTRUCT** Departments receiving CDBG funds to submit billing and reimbursement documentation relative to related costs on a monthly basis to the CDBG fund administrator, CDD, and to continue to work with the CAO and CLA to identify salary and expense savings throughout the fiscal year and transfer those savings to the General Fund to compensate for unrecovered related costs.
12. **INSTRUCT** all CDBG-implementing departments to submit contract authority requests within two weeks of Council and Mayor approval of the 37th PY Con Plan to the CLA and CAO.
13. **INSTRUCT** the CLA and CAO to report to Council and Mayor with recommendations regarding contract authorities for program-implementing departments.
14. **INSTRUCT** the CAO, or designee, to report within 60 days of the Council and Mayor's approval of the 37th PY Con Plan with recommendations on departmental requests and necessary implementing language for related authorities and administrative allocations in Phase One as outlined in the joint CLA and CAO report.

15. INSTRUCT the General Manager, CDD or designee, to:

a. Provide written notification to all applicants of the 37th PY Con Plan, as follows:

- (1) To unsuccessful applicants, informing them that they are not funded.**
- (2) To successful applicants, advising them of final award recommendation for 37th PY - Phase One (April 1 - September 30, 2011) as well as the potential for continued funding at either the same or adjusted funding levels as part of Phase Two.**
- (3) To agencies funded under the Community Based Development Organization (CBDO) categories, advising them that the availability of grant funds and the execution of contracts are contingent upon their successful certification as a CBDO.**
- (4) For all categories, notify the relevant Council Offices and the City Attorney of these correspondences.**

b. Provide written notice to all CDBG-implementing departments and agencies to refrain from programming or expending CDBG savings as articulated in the CDBG Expenditure Policy and Guidelines adopted by Council on September 12, 2003 (Council file No. 01-2765-S2, Attachment K).

c. Report to the Council and Mayor with a comprehensive assessment of the impact of all grant funding reductions on its programs, operations and administration by April 30, 2011.

d. Report to the Council and Mayor regarding the Neighborhood Improvement Program with an analysis of facility investments and their current status and needs by April 30, 2011.

e. Report to the Council and Mayor by June 30, 2011 with a proposed amendment to the City's Float Loan Policy articulating a consistent policy for how and when float-funded activities are recorded as program income.

f. Report relative to the Commission for Community and Family Services and the Human Relations Advocates, on the costs of these programs and efforts to reduce or absorb the costs consistent with Council action, and report relative to the Neighborhood Facilities Program, as to what the funds will be used for, and the breakdown between staff and program costs.

16. INSTRUCT all CDBG-implementing departments to report to the Mayor and Council, with copies to the CLA and CAO, by April 30, 2011, with: 1) the impact of the adopted Con Plan to the department; 2) recommendations to amend the budget for CDBG-funded projects, and HOPWA, ESG and HOME projects, if applicable; 3) options to reduce General Fund impacts, including instituting furloughs, including information relative to resulting organizational and workload impacts; and 4) if appropriate, alternative proposals that maintain the overall recommended cuts provided that such adjustments do not exceed approved expenditure caps.

17. **INSTRUCT** the CLA and CRA Chief Executive Officer, or designee, to consider the Calko and the Northeast Valley Industrial Expansion projects for funding from the CRA's proposed Economic Development Opportunity Fund (Council file No. 10-2324).
18. **INSTRUCT** the CLA and CAO to report to the Council, in the event the CRA is dissolved or reconfigured as a result of approval of the State budget, relative to the impact to all CRA CDBG-funded projects; CDBG 20-year loan repayment and impact to CDBG program income; and options for the continued implementation of the projects.
19. **INSTRUCT** the CLA and CAO to meet with the Mayor, Council Offices and departments regarding prior year unspent CDBG balances to determine if savings can be realized for potential reprogramming during the 37th Program Year.
20. **AUTHORIZE** the General Managers, CDD and LAHD, or designees, and other implementing departments or designees, to: 1) prepare Controller instructions and make technical adjustments that may be required and are consistent with the Amendment's recommendations; 2) amend the necessary Action Plan to reflect this Amendment; and 3) authorize the Controller to implement the instructions, subject to approval of the CAO.
21. **REQUEST** the Mayor to submit to the Council by April 1, 2011 the budget for the Summer Night Lights Program that provides a breakdown of all revenues (including all public and private funding sources and in-kind contributions secured to date or anticipated) by line item and all line item expenditures.
22. **INSTRUCT** the CDD to spend a minimum of \$2.5 million dollars in resources in the Economic Development Program Delivery. These funds must be used to pay for CDD staff assigned to economic development program delivery and may not be transferred to another program/project without Council approval.
23. **FUND** the Port Tech Business Incubator, subject to the CLA and CAO convening a meeting with the Mayor, Council District 15, CDD, CRA, Port Tech and any other affected parties regarding the feasibility of the City purchasing or acquiring a building that could be leased to Port Tech LA for a de minimis amount with covenants requiring the repayment of the purchase price of the building in incubator services and job creation within a specified time period.
24. **FUND** the Taylor Yard Project, subject to a status report to Council that includes a timeline for completion of the project, including project milestones, and a line-item budget, including sources and uses.
25. **INSTRUCT** the City Clerk to refer matters relative to the Commission for Community and Family Services to the Housing, Community and Economic Development Committee, as overseer of the Community Development Block Grant and Community Services Block Grant.
26. **APPROVE** the reprogramming of \$500,000 dollars from West Angeles Plaza to District Square in CDBG-R Funds, subject to verification by CDD.

27. INSTRUCT the CLA and CAO to convene a meeting the Los Angeles Homeless Services Authority (LAHSA), CDD and LAHD to address cash flow issues for LAHSA and its subcontractors, including the feasibility of LAHSA and LAHD being able to access the HUD line of credit for the CDBG, and report to Council with recommendations.
28. INSTRUCT the CLA and CAO to initiate a discussion with HUD, before this matter is considered by the City Council, regarding the establishment of a Reserve Fund within the Con Plan and the phased budget.
29. DIRECT the CAO, CLA, Mayor's Office and Council District 10 to communicate with HUD to clarify whether the HUD would accept a six-month budget.
30. AMEND Attachment A-1, Line Item No. 58, Column F2 to read \$336,238 instead of \$168,119.
31. REPLACE Attachment A with Attachment A-1.
32. DELETE Attachment C.
33. REPLACE Attachment H with Attachment H-1.
34. REPLACE Attachment I with Attachment I-1.
35. ADD Attachment K – SNL 2011 32 Total Sites.

Fiscal Impact Statement: The CLA and CAO report that there is a General Fund impact. The recommendations within the joint report address the 37th Program Year Consolidated Plan for 2011-12, which is comprised of total funds of approximately \$89.9 million from the federal Community Development Block Grant, \$50.6 million from HOME Investment Partnerships, \$12.6 million from Housing Opportunities for Persons with AIDS, and a \$3.2 million Emergency Shelter Grant. All recommendations are subject to the final award of grant funds by the U.S. Department of Housing and Urban Development.

Assuming that Phase One (April 1 - September 30, 2011) entitlement projections are continued during the 37th PY through Phase Two (October 1, 2011 through June 30, 2012), the 37th PY CDBG would provide approximately \$33 million to support filled positions (direct salaries: \$24.3 million, related cost reimbursement: \$8.7 million). The General Fund would contribute approximately \$2.8 million for CDBG-funded related costs. This is a reduced level of General Fund participation from the 36th PY by approximately \$500,000, due primarily to a reduced salary base and lower related costs associated with CAP 32. The reduced salary base and lower related costs impact General Fund revenue receipts which are projected to be approximately \$2.5 million less than in the 36th PY.

The other three 37th PY Con Plan entitlement grants, HOME Investment Partnership Program, Housing Opportunities for Persons with AIDS and the Emergency Shelter Grant provide approximately \$4.8 million to support filled positions (direct salaries: \$3.7 million, related cost reimbursement: \$1.1 million) for the year, providing full related cost reimbursement based on CAP 32.

The Proposed 37th PY Con Plan, inclusive of the four 37th PY Con Plan entitlement grants (CDBG, HOME, HOPWA and ESG), would provide approximately \$37.8 million (direct salaries: \$28.0 million, related cost reimbursement: \$9.8 million). The combined reduced salary base and lower related costs impact General Fund revenue receipts which are projected to be approximately \$2.7 million less than in the 36th PY.

It is a policy decision as to how and at what level the City will participate with City resources, specifically the General Fund, in funding the CDBG grant program activities. Further attempts to decrease the General Fund participation are likely to result in reduction of staff performing program delivery or cuts to programs themselves. In light of the City's fiscal constraints, efforts will continue to reduce the gap between General Fund participation and CDBG related cost reimbursement.

Community Impact Statement: None submitted.

(Budget and Finance Committee waived consideration of the above matter)

CONTINUED

COMMUNICATION FROM THE CHAIR, JOBS AND BUSINESS DEVELOPMENT COMMITTEE REPORT relative to the Community Development Department (CDD) report relative to the authority to release a Request for Proposal for the new Los Angeles Business Source System (LABSS) PY 2011-2014.

Recommendations for Council action:

1. **AUTHORIZE** the General Manager, CDD, or designee, to release a Request for Proposal (RFP) for the newly designed LABSS.
2. **AUTHORIZE** the General Manager, CDD, or designee, to report back to Council the contract agencies selected for the LABSS based on the recommendations of the LABSS RFP review teams, and to seek Council and Mayoral approval to execute contracts with those agencies.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the above recommendations will have no impact on the General Fund. All elements of the LABSS will be funded by the Community Development Block Grant. The funding recommendations will be contained in the PY 2011-12 Consolidated Plan.

Community Impact Statement: None submitted.

Item for Which Public Hearing Has Not Been Held - Item 50

(10 Votes Required for Consideration)

ITEM NO. (50) - CONTINUED TO MARCH 18, 2011

Roll Call #2 - Adopted to Continue, Unanimous Vote (10); Absent: Cárdenas, Hahn, Huizar, Reyes and Zine (5)

[09-1295-S2](#)

CONSIDERATION OF MOTION (KORETZ - ROSENDAHL - HAHN) relative to providing funding for the construction of a grade separation of the Exposition Light Rail Line at Sepulveda Boulevard.

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

1. AUTHORIZE the Los Angeles Department of Transportation (LADOT) to transfer up to \$5.3 million from the West Los Angeles Transportation Improvement and Mitigation Program, Fund No. 681, into a new account within Fund No. 681, to fund the cost differential of the construction of a grade separation of the Exposition Light Rail Line at Sepulveda Boulevard, as shown in the project's Final Environmental Impact Report and the preliminary engineering documents, in order to provide the safest, most efficient grade crossing treatment at this location.
2. DIRECT the LADOT to:
 - a. Work with the Exposition Construction Authority to develop the necessary funding agreement that identifies the terms of this commitment and a payment schedule.
 - b. In consultation with the City Administrative Officer, continue to pursue all other available funding sources for this project, subject to Council approval.

Community Impact Statement: None submitted.

(Transportation Committee waived consideration of the above matter)

Whereupon the Special Council meeting did adjourn.

ATTEST: June Lagmay, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL