



Richard Williams &lt;richard.williams@lacity.org&gt;

## Comments to Ad Hoc on Economic Development Agenda No. 1 CF 08-3050

Joyce Dillard <dillardjoyce@yahoo.com>

Thu, Apr 4, 2013 at 4:11 PM

Reply-To: Joyce Dillard <dillardjoyce@yahoo.com>

To: Richard Williams <Richard.Williams@lacity.org>, The Honorable Eric Garcetti <Councilmember.Garcetti@lacity.org>, "The Honorable Dennis P. Zine" <councilmember.zine@lacity.org>, The Honorable Tom LaBonge <councilmember.labonge@lacity.org>, "The Honorable Bernard C. Parks" <councilmember.parks@lacity.org>, The Honorable Ed Reyes <councilmember.reyes@lacity.org>, The Honorable Richard Alarcón <councilmember.alarcon@lacity.org>, The Honorable Jan Perry <councilmember.perry@lacity.org>, "The Honorable Herb J. Wesson Jr." <councilmember.wesson@lacity.org>, The Honorable Bill Rosendahl <councilmember.rosendahl@lacity.org>, The Honorable Jose Huizar <councilmember.huizar@lacity.org>, The Honorable Paul Koretz <Paul.Koretz@lacity.org>, The Honorable Carmen Trutanich <CTrutanich@lacity.org>, The Honorable Paul Krekorian <Councilmember.Krekorian@lacity.org>, The Honorable Mitchell Englander <councilmember.englender@lacity.org>, The Honorable Joe Buscaino <councilmember.buscaino@lacity.org>

In the Draft Ordinance (Attachment 2) you state:

*WHEREAS, the City Council finds that the creation of a new economic development model that will help the City meet its goals of creating new jobs, attracting new businesses and industries to the City, retaining existing businesses and industries and increasing general fund revenues are municipal concerns which will promote the health, safety and welfare of its residents by improving employment, retail, housing and commercial opportunities and aiding the City in providing necessary municipal services;*

Comments:

We disagree with this statement. No where is the intention to create new jobs or new businesses. No where is the Health, Safety and Welfare addressed.

You do want to continue a Redevelopment operation.

You state:

*WHEREAS, the City Council finds that with the elimination of The Community Redevelopment Agency of the City of Los Angeles, California certain economic development and financing tools that are necessary to revitalize communities and generate economic growth and development, expand the job base within the City and increase City revenues are no longer available;*

Comments:

You are limiting the area of growth to those Census Tracts that qualify under the Community Reinvestment Act.

You are not addressing those communities that are not under Federal entitlements where real

growth, privately, can occur.

You state:

*WHEREAS, the City Council finds that the creation of an Economic Development Department tasked with, among other things, simplifying and consolidating the City's economic development processes and policies and partnering with private entities in development activities will create a more business friendly environment and allow the City to best leverage its use of City funds and resources with other public and private funding sources and resources;*

Comments:

You want Federal infrastructure funding such as in the Consolidated Plan to be privatized, thus eliminating the residents who should receive benefit.

You also want to use Tax Credits as a basis of attraction.

You state:

*WHEREAS, the City Council finds that the transfer of City-owned real property, whether by sale or lease, conditioned on the development and future use of the property so as to promote economic development is a valid exercise of the City Charter powers and that such real property is not surplus property or land within the meaning of the Los Angeles Administrative Code or California Government Code Section 54220, et seq.*

Comments:

Public Land is in the Public Trust, and instead of exercising your duties, you choose to privatize assets that should be used in the execution of City management and retirement of any debt.

You state:

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

*...Sec. 22.1001. Purpose of the Department.*

*It shall be the purpose of the Department to provide for the proper planning, coordination, promotion, stimulation, implementation and management of economic development activities within the City as part of a new economic development model whereby the City can more readily partner with other public entities and private entities to best leverage public and private funds to foster economic development within the City. Responsibility for management and implementation of economic development programs and activities previously assigned to other City departments is hereby transferred to the Department as necessary for the Department to commence transaction of business and to exercise powers under this Chapter.*

Comments:

We do not see how the definition given coincides with the intent of Federal legislation and funding for low-to-moderate income persons that are the basis for census tract qualifications for that funding for Housing Affordability and Community Development.

You state:

*Sec. 22.1008. Real Property.*

*The Department shall, subject to the provisions of this Chapter, as well as applicable Federal, State and local laws, have the powers provided in this Section for the acquisition, development and disposition of real property for economic development purposes, projects and activities.*

Comments:

This appears to just be another name for CRA/LA, which is in the dissolution process by State law with confirmation by the courts.

You state:

*(a) Acquisition of Real Property. The Department, subject to Council authorization, shall have the power and is authorized to acquire any real property by purchase, lease, gift, devise or any other means authorized by law that may be necessary or convenient to carry out its economic development functions under this Chapter.*

*(b) Demolition and Clearance of Real Property. Except as otherwise provided in the Charter, the Department is authorized to perform the following powers on City-owned real property:*

- (1) Demolish and clear buildings, structures and other improvements as necessary to carry out the purposes and objectives of this Chapter;*
- (2) Take such actions as it deems reasonably necessary to prepare real property for development; and*
- (3) Take such actions as it deems reasonably necessary to remedy any hazardous material or condition.*

Comments:

Land acquired by any Department is property of the City of Los Angeles, subject to laws and regulations. Land Banking should not a Municipal function as a Chartered City.

You state:

*(b) Conveyance of City Interests in Real Property. The Department is authorized to convey any interest owned or controlled by the City in real property at its fair reuse value to carry out the public purposes and objectives of this Chapter in accordance with the procedures set forth in Section 7.27.2 of this Code. Any such conveyance*

*shall be made pursuant to one or more agreements requiring the development, use and maintenance of such real property for economic development, and such agreement(s) shall additionally require as a condition precedent to the conveyance that one or more deed restrictions be recorded against the conveyed "interest restricting the development and use and requiring the maintenance of such real property so as to insure that the economic development purpose for which the conveyance was made is fulfilled for such period of time as is determined to be appropriate. The conveyance of any such interest under the terms and conditions stated herein shall not render the real property as "surplus property" within the meaning of Chapter 1, of Article 4 of the Los Angeles Administrative Code (commencing with Section 7.21), nor shall it render the real property as "surplus land" within the meaning of Section 54221 of the California Government Code.*

and

*Sec. 7.27.2. Private Sale Procedures for Economic Development Purposes. Notwithstanding any other provision of this Code, the Economic Development Department is authorized to convey any interest owned or controlled by the City in any real property below its fair market value, subject to the Council making a finding that the conveyance at the price with the terms and conditions imposed thereon serves a public purpose. Such conveyance may be made by either sale or lease; however, the sale or lease shall be first approved by the City Council after public hearing and shall be subject to approval by the Mayor. etal*

Comments:

This is a Redevelopment Agency function which has been dissolved in the State of California.

Decisions on City Assets are the responsibility of the City Council not through a department.

Relocation of displaced persons should be a function under the Housing Department.

You state:

*Adopt the proposed transfer of functions to the new EDD as shown in Option 1 of the Options Matrix that appears as Attachment 1 to this report;*

Comments:

LA Housing Department limits the functionality of 100 positions from Community Development to only one fraction-that of housing.

This does not serve the Citizens and Residents of the City of Los Angeles well.

It does serve the Developers.

You state:

*Instruct the CLA and CAO to issue a Request for Proposals for a Citywide Economic Development Nonprofit (CEDN) to provide economic development services on behalf of the City.*

and

*Attachment 3- Q & A - Economic Development Initiative*

*The City will contract with a CEDN as a separate, independent nonprofit agency that will be the transactional arm of economic development activities and will focus on bringing job growth and economic activity to the City. The CEDN's role will include identifying and assisting in securing locations for new or expanding businesses, providing guidance and expertise in launching new businesses, acting as a conduit between those with ideas for new businesses and business experts, equity capital and lenders, and advising the City on government processes that hinder business development. The CEDN will not be a public body, nor will the CEDN be established by the City.*

Comments:

Your basis for "bringing job growth and economic activity to the City" has no routing in past experience within the City of Los Angeles. It is just a wish list.

In fact, in review of the City contracts, the same companies, groups, and non-profits are used continuously.

CEDN's role, as stated, is one for companies to hire privately. You are misusing the intent of tax credits as issued by the CDFI Funds, Community Development Financial Institutions Fund, as the intent is for non-government entities. You are making it appear to be non-government, but you are choosing them to operate.

It is government control. There are Designated Target Markets and Missions to meet under CDFI with responsibility by the Board of Directors.. You do not care about the regulations.

You are not allowing the Public to input on matters effecting Public Health and Safety.

Please reconsider your actions. The City is not chartered to serve Special Interests.

Joyce Dillard  
P.O. Box 31377  
Los Angeles, CA 90031