



OFFICE OF THE CITY ATTORNEY
ROCKARD J. DELGADILLO
CITY ATTORNEY

REPORT NO. R09-0059
FEB 17 2009

REPORT RE:

**DRAFT ORDINANCE EXTENDING THE TIME LIMIT ON THE EFFECTIVENESS OF
THE REDEVELOPMENT PLAN BY FIVE YEARS UNTIL DECEMBER 14, 2017 FOR
THE EAST HOLLYWOOD/BEVERLY-NORMANDIE EARTHQUAKE DISASTER
ASSISTANCE PROJECT**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The Board of Commissioners (Board) of The Community Redevelopment Agency of the City of Los Angeles (CRA/LA) requested that this ordinance be drafted and recommends that the City Council adopt this ordinance to extend the time limit on the effectiveness of the redevelopment plan (Redevelopment Plan) for the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project by five (5) years, from December 14, 2012, to December 14, 2017.

Background

The Redevelopment Plan was approved and adopted by the City Council on December 14, 1994 in response to the Northridge Earthquake. The original term of the Redevelopment Plan is fifteen (15) years, ending on December 14, 2009. Subsequent to the adoption of the Redevelopment Plan, on November 21, 2003 and December 19, 2006, City Council adopted Ordinance No. 175,671 and Ordinance No. 178,170, respectively. Those two ordinances extended the effectiveness of the Redevelopment Plan by a total of three (3) years, ending on December 14, 2012, as permitted by Senate Bill 1045 (2003) and Senate Bill 1096 (2004) due to the required contribution to the Education Reinvestment Augmentation Fund of the County of Los Angeles by the



CRA/LA. Section 700 of the Redevelopment Plan permits an extension of the effectiveness of the Redevelopment Plan by 5 additional years. Such extension of the time limit on the effectiveness of the Redevelopment Plan requires City Council approval.

Summary of Ordinance Provisions

The CRA/LA is requesting the adoption of the attached ordinance to extend the time limit on the effectiveness of the Redevelopment Plan by 5 years through December 14, 2017. CRA/LA staff reports that the extension of the effectiveness of the Redevelopment Plan will further facilitate redevelopment activities within the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project.


CEQA Process

The CRA/LA's Principal Environmental Planner has determined that the proposed action does not constitute a project as defined by the California Environmental Quality Act (CEQA), and the CRA/LA Board has concurred in that determination. If you agree, you may make the same findings before or at the time you adopt this ordinance.

If you have any questions, please contact Edward C. Young, Deputy City Attorney, at 213-977-1915. He, or another member of this office, will be available when you consider this matter to answer any questions you may have.

Sincerely,

ROCKARD J. DELGADILLO, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:ECY:lee
Transmittal

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES EXTENDING THE EFFECTIVENESS DATE FOR THE REDEVELOPMENT PLAN FOR THE EAST HOLLYWOOD/BEVERLY-NORMANDIE EARTHQUAKE DISASTER ASSISTANCE PROJECT

WHEREAS, the Redevelopment Plan for the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project was approved and adopted by the City Council of the City of Los Angeles on December 14, 1994, by Ordinance No. 170,176 and was amended on November 21, 2003, by Ordinance No. 175,670, on November 21, 2003, by Ordinance No. 175,671, on December 19, 2006, by Ordinance No. 178,170, and on August 13, 2008, by Ordinance No. 180,165 (collectively referred to as the Redevelopment Plan); and

WHEREAS, Section 700 of the Redevelopment Plan provides that "The provisions of this Plan shall be effective for the period ending fifteen (15) years from the adoption of the Plan, the fifteen (15) year period of which may be extended to a total of twenty (20) years from the date of adoption of the Plan by a vote of the City Council to so extend."; and

WHEREAS, Ordinance No. 175,671, adopted on November 21, 2003, extended the effectiveness of the Redevelopment Plan by one (1) year, as permitted by Senate Bill 1045 (2003) for required contribution to the Education Reinvestment Augmentation Fund (ERAF) of the County of Los Angeles by The Community Redevelopment Agency of the City of Los Angeles (the CRA/LA) for fiscal year 2003/2004; and

WHEREAS, Ordinance No. 178,170, adopted on December 19, 2006, extended the effectiveness of the Redevelopment Plan by two (2) years, as permitted by Senate Bill 1096 (2004) for ERAF contributions required of the CRA/LA for fiscal years 2004/2005 and 2005/2006; and

WHEREAS, the extensions of effectiveness permitted by these Senate Bills were not anticipated at the time of adoption of the Redevelopment Plan and do not affect the ability of the City Council to extend the effectiveness of the Redevelopment Plan for an additional five (5) year period as permitted by the Redevelopment Plan; and

WHEREAS, the City Council of the City of Los Angeles desires to extend the effectiveness date for the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project for an additional five (5) year period, pursuant to the provisions of the Redevelopment Plan.

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO HEREBY ORDAIN AS FOLLOWS:**

Section 1. In accordance with the provisions of Section 700 of the Redevelopment Plan, the City hereby establishes the following limitation for the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project:

A. The date for effectiveness of the Redevelopment Plan is extended for a five (5) year period which ends on December 14, 2017.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

KAREN E. KALFAYAN, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By Beverly A. Cook
for EDWARD G. YOUNG
(Deputy City Attorney)

Date _____

File No. _____

APPROVED

MEMORANDUM

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DATE: DECEMBER 18, 2008 EB9990

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: DONALD R. SPIVACK, DEPUTY CHIEF OF OPERATIONS AND POLICY
LESLIE LAMBERT, REGIONAL ADMINISTRATOR
KIM PFOSER, PRINCIPAL PLANNER

SUBJECT: REQUEST TO CITY COUNCIL TO ADOPT AN ORDINANCE FOR THE EXTENSION OF THE DATE OF EFFECTIVENESS FOR THE EARTHQUAKE DISASTER ASSISTANCE REDEVELOPMENT PLAN FOR EAST HOLLYWOOD/BEVERLY NORMANDIE HOLLYWOOD AND CENTRAL REGION (CD #4 AND #13)

RECOMMENDATION

That the CRA/LA Board of Commissioners request that the City Council adopt an ordinance amending the redevelopment plan for the Earthquake Disaster Assistance Redevelopment Project for East Hollywood/Beverly Normandie extending the date of effectiveness from December 14, 2012 to December 14, 2017, pursuant to the provisions of the Redevelopment Plan.

SUMMARY

The Earthquake Disaster Redevelopment Plan for East Hollywood/Beverly Normandie, adopted in 1994, limited the time period effectiveness (life of project) to an initial period of fifteen (15) years, but provides that this date may be extended for an additional period of five years to December 14, 2017 with a vote of the City Council to so extend.

RE:

December 14, 1994 – Adoption of City Council Ordinance No. 170,176 establishing the Earthquake Disaster Redevelopment Project for East Hollywood/Beverly Normandie.

November 21, 2003 – Adoption of City Council Ordinance No. 175,670 extending debt incurrence limitation date for the Earthquake Disaster Redevelopment Project for East Hollywood/Beverly Normandie pursuant to the provisions of the redevelopment plan.

November 21, 2003 – Adoption of City Council Ordinance No. 175,671 extending the date of effectiveness and the last date of receipt of tax increment for the Earthquake Disaster Redevelopment Project for East Hollywood/Beverly Normandie each by one year, as allowed by the provisions of Senate Bill 1045 (2003) for ERAF contributions.

December 19, 2006 - Adoption of City Council Ordinance No. 178,170 extending the date of effectiveness and the last date of receipt of tax increment for the Earthquake Disaster Redevelopment Project for East Hollywood/Beverly Normandie each by two year, as allowed by the provisions of Senate Bill 1096 (2004) for ERAF contributions.

August 13, 2008 – Adoption of City Council Ordinance 180,165 correcting the date for receipt of tax increments for the Earthquake Disaster Redevelopment Project for East Hollywood/Beverly Normandie.

SOURCE OF FUNDS

No Agency funds are required for this action.

PROGRAM AND BUDGET IMPACT

The Earthquake Disaster Assistance Redevelopment Plan for East Hollywood/Beverly Normandie currently has an effectiveness limitation date of December 14, 2012; extending this date as allowed by the ordinance adopting the plan will facilitate the completion of project activities, but will not affect the current year's program and budget.

The recommended actions are in conformance with the CRA/LA's work program and budget. There is no fiscal impact to the City's General Fund as a result of the recommended actions.

ENVIRONMENTAL REVIEW

The proposed recommended action does not constitute a project as defined by the California Environmental Quality Act.

BACKGROUND

All redevelopment plans are adopted pursuant to The California Redevelopment Law (The CRL), as amended from time to time, and The CRL identifies key dates for certain activities that must be included in all redevelopment plans. These are the plan's effectiveness date (the end date of the CRA/LA activities in a project area); the last date the Agency may incur debt for project activities; and the last date the Agency may receive tax increment to repay debt incurred during the effective life of the redevelopment plan.

Accordingly at the adoption of the earthquake disaster assistance redevelopment plan in 1994, these dates were stated in the adopting ordinance of the City Council. As the plan was to address damage from the 1994 Northridge Earthquake, short terms were set for these periods and dates. The effectiveness date of the Earthquake Disaster Assistance Redevelopment Plan for East Hollywood/Beverly Normandie was set at 15 years, to December 14, 2009, and the last date for receipt of tax increment was set at 45 years from the first June 30th after adoption of the plan, to June 30, 2040.

Section 700 of the Redevelopment Plan pertaining to the effectiveness of the Plan's provisions states, however, that "The provisions of this Plan shall be effective for the period ending fifteen (15) years from the adoption of the Plan, the fifteen year period of which may be extended to a total of twenty (20) years from the date of adoption of the Plan by a vote of the City Council to so extend."

Additionally, Section 604 of the Redevelopment Plan established the time limit for incurring of indebtedness to an initial period of ten (10) years, but allowed that time period to be "prolonged to a total time limitation of fifteen (15) years from the adoption of the Plan by vote of the City

Council to so extend.". This debt limitation date was extended by the adoption of Ordinance No. 175,670 on November 21, 2003.

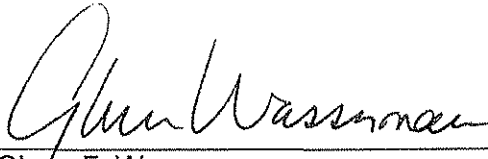
Separate from the provisions of the Redevelopment Plan, two legislative actions have affected extensions of the effectiveness date. Senate Bill 1045 (2003) allowed the extension of the date of effectiveness by one year for redevelopment projects participating in the CRA/LA's required contribution to the County Education Reinvestment Augmentation Fund (ERAF) for fiscal year 2003/2004. Ordinance No. 175,671, adopted on November 21, 2003, extended the Plan effectiveness date by one year from December 14, 2009 to December 14, 2010.

Senate Bill 1096 (2004) allowed the extension of the date of effectiveness by one year each for redevelopment projects participating in the CRA/LA's required contribution to the County ERAF for fiscal years 2004/2005 and 2005/2006. Ordinance No. 178,170, adopted on December 19, 2006, extended the Plan effectiveness date by two years from December 14, 2010 to December 14, 2012.

The Redevelopment Plan did not anticipate the extensions of effectiveness allowed by the Senate Bills, but does permit the City Council to extend the effectiveness date for the project by an additional five (5) years. As the project area still requires assistance from the CRA/LA, staff proposes that the extension of effectiveness from December 14, 2012 to December 14, 2017 be requested by the Commission to the City Council.

Cecilia V. Estolano
Chief Executive Officer

BY:



Glenn F. Wasserman
Chief Operating Officer

There is no conflict of interest known to me, which exists with regard to any CRA/LA officer or employee concerning these actions
