

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: August 5, 2009

TO: Honorable Members of the Housing, Community  
and Economic Development Committee

FROM: Gerry F. Miller *Gerry F. Miller*  
Chief Legislative Analyst

Council File No.: 08-3459  
Assignment No.: 09-07-1315

## **CRA- Plan Amendment for the East Hollywood/Beverly Normandie Redevelopment Project Area**

### **SUMMARY**

The Community Redevelopment Agency (Agency) requests that the City Council take various actions to evaluate an amendment to the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project or establish a new redevelopment project area to incorporate land along and near the Los Angeles River. The Agency further requests authority to declare certain actions related to a proposed amendment to the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project, or for a new North East Los Angeles River Redevelopment Plan, as ministerial actions and not "actions of the Agency." Such actions would not be subject to the Ordinance governing the City's oversight of the Agency (Oversight Ordinance). The Agency also requests Council adoption of the Resolution attached to the Agency report, which will provide for processing the proposed amendment, or preliminary redevelopment plan and preliminary report for the proposed North East Los Angeles River Redevelopment Plan, to City Council in such a manner that the review of the draft documents by the City Council would be subject to the "10 day rule" under the Oversight Ordinance, pursuant to Section 8.99.055 of the Los Angeles Administrative Code.

The Agency also requests Council approval to amend the FY 2008-09 East Hollywood/Beverly-Normandie Budget to transfer \$1,000,000 in Tax Increment funds from the budgeted line item "Public Improvements" to "Development Opportunities." The Agency had originally anticipated using these funds for the Vermont Mixed-Use Project. However, because the related property could not be acquired at a feasible price the funds have become available for the amendment. These funds however, may be subject to the Agency's review of its Supplemental Educational Revenue Augmentation Fund (SERAF) obligation to the State.

The Agency indicates that the area proposed for study is approximately 1,400 acres and would encompass portions of several distinct communities, including North Atwater, South Atwater, Fletcher Square, Glassell Park, Cypress Park, and Elysian Park. These communities are home to varied commercial, residential and industrial uses. Agency staff has indicated that it is anticipated that the topic of eminent domain will be discussed in the Preliminary Report.

The City's Oversight Ordinance (Section 8.99.04 of the Los Angeles Administrative Code) was adopted in 1991, and states that "certain actions of the Agency...shall not be final or binding or deemed approved until approved by a majority vote of the whole (City) Council." Included in these actions are those to establish or change redevelopment project areas.

In 1992, Council acknowledged that some actions to establish or change redevelopment project areas could be deemed as "ministerial" in nature and not "actions of the Agency" which are subject to a majority vote. These actions are generally related to the transmittal of documents as required by the Agency for processing, and are intended to shorten the processing time of an amendment or adoption by up to six months.

The provisions of the Oversight Ordinance that pertain to the proposed Redevelopment Plan which are requested to be interpreted as "ministerial actions" are listed on Attachment "A" of the Agency report.

By approving the actions listed on Attachment "A" of the Agency report as ministerial actions, subject to the "10-day rule," the items will be deemed approved by Council ten days after approval by the Agency Board of Commissioners unless, that in such 10-day period, the Council president or two members of the Council request that the item be reviewed and approved in the appropriate Council Committee and full Council meeting. We recommend the actions be interpreted as ministerial on the condition that the Agency will fully consult with the appropriate Council District offices prior to taking action, and that any concerns of other Council members may be raised through the mechanism provided by the "10-day rule."

According to the Agency, the recommended actions will expedite the planning process by eliminating approximately six months from what otherwise would be an approximately two-year process. Additionally, an expedited process could reduce the costs associated with the Redevelopment Plan Amendments for the Project Area.

## **RECOMMENDATIONS**

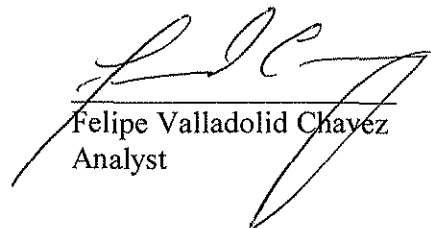
That the City Council:

- 1) Direct the Community Redevelopment Agency (Agency) to initiate the planning and feasibility studies necessary to prepare a preliminary plan for an amendment to the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project or define a new redevelopment project area, to incorporate land along and near the Los Angeles River, within portions of Council Districts 1, 4 and 13, in an expedited and effective manner; and
- 2) Interpret certain actions related to the overall process for preparing an amendment to the existing Earthquake Disaster Assistance Project, or for a new Northeast Los Angeles River Redevelopment Plan, as ministerial actions and not "actions of the Agency," subject to Section 8.99.04 of the City of Los Angeles Administrative Code (Oversight Ordinance); and
- 3) Adopt the attached resolution which will provide for processing the proposed amendment, or preliminary redevelopment and preliminary report for the proposed North East Los Angeles River Redevelopment Plan, to City Council in such a manner that the review of the draft documents by the City Council would be subject to the "10 day rule" under the Oversight Ordinance.

- 4) Authorize the Chief Executive Officer, Community Redevelopment Agency, or designee to:
- A) Proceed with an evaluation of an amendment to the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project, or the establishment of a new redevelopment project area along and near the Los Angeles River, and all actions necessary to complete the plan; and
  - B) Transmit to the City Planning Commission, the City Council, relevant departments of the State of California, affected taxing agencies, and other required parties as applicable, the following documents: a) Preliminary Plan; b) Preliminary and Final Reports to the City Council; c) State Reports; d) Proposed Redevelopment Plan amendment; and e) any and all other required documents related to the amendment.
  - C) Negotiate and execute contracts for consulting services not to exceed \$1,000,000 relating to the formulation of an amendment to the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance Project or the establishment of a new redevelopment project area along and near the Los Angeles River.
- 5) Approve the Amendment of the FY09 East Hollywood/Beverly-Normandie Budget to transfer \$1,000,000 in Tax Increment funds from the budgeted line item "Public Improvements" to "Development Opportunities," subject to availability of funds and determination that these funds are not required to meet SERAF payment to the State.

#### **FISCAL IMPACT**

There is no impact to the General Fund as a result of this action. The source of funds is Tax Increment from the East Hollywood/Beverly-Normandie Project Area.



Felipe Valladolid Chavez  
Analyst

Attachment: Resolution

GFM:SMT:LMO:IS:FC

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ATTACHMENT B

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE LOS ANGELES CITY COUNCIL TO EXPEDITE THE PREPARATION OF AN AMENDMENT TO THE EAST HOLLYWOOD EARTHQUAKE DISASTER ASSISTANCE PROJECT OR A NEW REDEVELOPMENT PLAN FOR LAND ALONG AND NEAR THE LOS ANGELES RIVER, WITHIN PORTIONS OF COUNCIL DISTRICTS 1, 4, AND 13.

WHEREAS, City Council has approved procedures to expedite the evaluation of redevelopment project areas on a project-by-project basis, to eliminate unnecessary expenditures of staff time and funds and to insure that financial resources are used wisely in the processing of such an amendment; and

WHEREAS, Subsection (f) of Section 8.99.04 of the Los Angeles Administrative Code provides that Council may, by resolution, implement expediting procedures for any proposed redevelopment plan amendment or adoption; and

WHEREAS, the preparation of an amendment to the East Hollywood Earthquake Disaster Assistance Project or a new Redevelopment Plan for land along and near the Los Angeles River within Portions of Council Districts 1, 4, and 13 is necessary to further the revitalization of the proposed Project Area.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA, AS FOLLOWS:**

1. The City Council hereby finds that it is in the best interests of the community to expedite the preparation of an amendment to the East Hollywood Earthquake Disaster Assistance Project or a new redevelopment plan for the proposed North East Los Angeles River Redevelopment Project Area.
2. The City Council hereby exempts CRA/LA actions relating to the preliminary report and preliminary redevelopment plans for the proposed amendment or new North East Los Angeles River Redevelopment Project Area from Council review under Section 8.99.04 of the Los Angeles Administrative Code, and directs that CRA/LA actions on these matters proceed pursuant to Section 8.99.05.

ADOPTED: \_\_\_\_\_