



Community Redevelopment Agency
of the CITY OF LOS ANGELES

DATE / **DEC 18 2008**

FILE CODE /

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CRA File No. 8986
Council District: 4,13
Contact Person: Kim Pfoser, Principal Planner
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Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: Alan Alietti, Office of the City Clerk

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on December 18, 2008, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

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

RECOMMENDATION

That City Council approve(s) recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

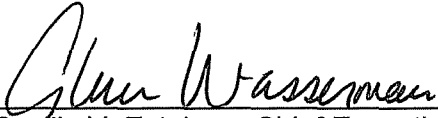
The recommended actions are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 (Feasibility and Planning Studies) of the State CEQA Guidelines. Environmental review for the proposed plan amendment will be completed prior to any recommendation on the amendment being brought to the CRA/LA Board of Commissioners for action.

HOUSING, COMMUNITY &
ECONOMIC DEVELOPMENT

DEC 22 2008

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.


for Cecilia V. Estolano, Chief Executive Officer

cc: Karen Kalfayan, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO
Ivania Sobalvarro, Office of the CLA
Helmi Hisserich, Office of the Mayor
Noreen Vincent, Office of the City Attorney

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MEMORANDUM

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.

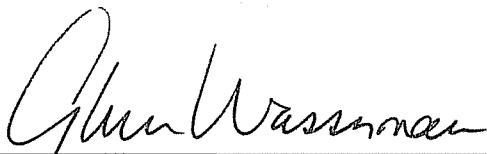
Separate from the provisions of the Redevelopment Plan, two legislative actions have affected extensions of the effectiveness date. Senate Bill 1045 (2003) allowed the extension of the date of effectiveness by one year for redevelopment projects participating in the CRA/LA's required contribution to 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