

**JUNE LAGMAY**  
City Clerk

# CITY OF LOS ANGELES



**KAREN E. KALFAYAN**  
Executive Officer

**HOLLY L. WOLCOTT**  
Executive Officer

**ANTONIO R. VILLARAIGOSA**  
MAYOR

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Acting Chief, Council and Public Services  
Division

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OCTOBER 7, 2009

To All Interested Parties:

**Chief Legislative Analyst**

I HEREBY CERTIFY that City Council adopted the action(s), as attached,  
under Council file No. 09-0002-S93, at its meeting held SEPTEMBER 25,  
2009.

City Clerk  
srb

cc: 8 Certified copies sent to Sacramento Representatives

OFFICE OF THE MAYOR  
RECEIVED  
2009 SEP 29 PM 3:54  
CITY OF LOS ANGELES

RECEIVED  
CITY CLERK'S TIME STAMP  
CITY CLERK'S OFFICE  
2009 SEP 29 PM 3:53  
CITY CLERK  
BY \_\_\_\_\_ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 09-0002-S93

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE September 25, 2009

RE: CITY'S POSITION ON AB 1139 (PEREZ) WHICH WOULD EFFECTIVELY DIMINISH THE STATE ENTERPRISE ZONE PROGRAM BY REDUCING THE NUMBER OF ELIGIBLE HIRES FOR THE HIRING TAX CREDIT

LAST DAY FOR MAYOR TO ACT OCT 09 2009  
[10 Day Charter requirement as per Charter Section 231(h)]

**DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY**

APPROVED




\*DISAPPROVED

\*Transmit objections in writing pursuant to Charter Section 231(h)

OCT 07 2009

DATE OF MAYOR APPROVAL OR DISAPPROVAL \_\_\_\_\_

MAYOR 

RECEIVED  
CITY CLERK'S OFFICE  
OCT -7 PM 12:32  
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**VERBAL MOTION**

I HEREBY MOVE that Council ADOPT the following recommendation of the Chief Legislative Analyst (Item No. 4, CF 09-0002-S93) relative to the City's position on AB 1139 (Perez) which would effectively diminish the State Enterprise Zone program by reducing the number of eligible hires for the hiring tax credit, **SUBJECT TO THE CONCURRENCE OF THE MAYOR:**

**ADOPT the accompanying RESOLUTION to include in the City's 2009-10 State Legislative Program OPPOSITION to AB 1139 (Perez) which would effectively diminish the State Enterprise Zone program by reducing the number of eligible hires for the hiring tax credit.**

**Fiscal Impact Statement: None submitted by the Chief Legislative Analyst. The City Administrative Officer has not completed a financial analysis of this report.**

**Community Impact Statement: None submitted.**

**(Rules and Government Committee waived consideration of the above matter)**

PRESENTED BY \_\_\_\_\_  
JAN PERRY  
Councilmember, 9th District

SECONDED BY \_\_\_\_\_  
JANICE HAHN  
Councilmember, 15th District

September 25, 2009

CF 09-0002-S93

**ADOPTED**

SEP 25 2009

**LOS ANGELES CITY COUNCIL**

# RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, existing law establishes the State Enterprise Zone Program (SEZ), administered by the Department of Housing and Community Development (DCHD), to stimulate business and industrial growth and create jobs in depressed areas of the State of California; and

WHEREAS, the City of Los Angeles currently has three SEZs (Los Angeles-Hollywood, East Los Angeles, and Harbor Area) designated by DHCD; and

WHEREAS, the State Enterprise Zone (SEZ) SEZ Program is an essential component of the City's economic development toolbox, and is used by thousands of City business owners to help reduce their tax burdens and allow them to reinvest in their businesses and hire additional employees; and

WHEREAS, the vast majority of participating businesses utilize the Targeted Employment Area (TEA) to qualify new employees for the SEZ Hiring Tax Credit (HTC); and

WHEREAS, the TEA includes those census tracts containing 51 per cent or more low-moderate income residents; and

WHEREAS, on February 27, 2009, Assemblymember John Perez introduced AB 1139 which would effectively diminish the SEZ Program by reducing by 90 per cent or more the number of eligible hires for the HTC; and

WHEREAS, AB 1139 would: 1) eliminate the TEA as an eligible category for qualifying employees for the HTC; 2) mandate that only those employees working 35 hours or more would qualify for the HTC; 3) mandate that only those businesses paying 80 per cent or more of an employee's health care coverage would qualify for the HTC; 4) require the employer to submit an application for an HTC to the Community Development Department (CDD) within 21 days of the employee's hire in order to claim the credit; and 5) require the employer to submit information for each qualified employee to CDD annually; and

WHEREAS, the bill creates new conditions and requirements that will drastically reduce the number of businesses, particularly small businesses, that will be able to participate in the SEZ program; and

WHEREAS, opposition to AB 1139 is consistent with the City's efforts to provide incentives and encourage economic development in underdeveloped areas of the City.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2009-2010 State Legislative Program OPPOSITION to AB 1139 (Perez) which would modify the California Revenue and Taxation Code relating to State Enterprise Zones (SEZ) to: 1) eliminate the Targeted Employment Area (TEA) as an eligible category for qualifying employees for the (Hiring Tax Credit) HTC; 2) mandate that only those employees working 35 hours or more would qualify for the HTC; 3) mandate that only those businesses paying 80 per cent or more of an employee's health care coverage would qualify for the HTC; 4) require the employer to submit an application for an HTC to the Community Development Department (CDD) within 21 days of the employee's hire in order to claim the credit; and 5) require the employer to submit information for each qualified employee to CDD annually.

I CERTIFY THAT THE FOREGOING  
RESOLUTION WAS ADOPTED BY THE  
COUNCIL OF THE CITY OF LOS ANGELES  
AT ITS MEETING OF Sept. 25, 2009  
BY A MAJORITY OF ALL ITS MEMBERS.



JUNE LAGMAY  
CITY CLERK

BY [Signature]  
DEPUTY