

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 11-0363

**FROM: COUNCILMEMBER ED P. REYES, VICE CHAIR
COUNCILMEMBER RICHARD ALARCÓN, MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

CATEGORICAL EXEMPTION, COMMUNICATION FROM VICE CHAIR AND MEMBER, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE and JOINT RESOLUTION relative to expenditure of \$14,677,920 for public improvements, and authority to execute a contract amendment with S L Enterprises to extend the term of the contract by four years and increase compensation to an amount not to exceed \$200,000, in the Crenshaw Amended Redevelopment Project Area and the Mid-City Recovery Redevelopment Project Area.

Recommendations for Council action:

1. FIND that the proposed Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Sections 15301 (c) and (h) and 15304 (a) and (b) of the State and Community Redevelopment Agency of Los Angeles (CRA/LA) CEQA guidelines.
2. ACKNOWLEDGE and UNDERSTAND that the California Supreme Court (Court) in the case entitled California Redevelopment Association v. Matosantos, stayed certain portions of AB x1-26 and AB x1-27 but allowed other provisions to be implemented, such as the prohibition on new contracts and amendments to existing contracts. Specifically, the CRA/LA may not, with the exception of existing enforceable obligations, take any action to incur new debt, transfer any assets, or undertake any new obligations, unless and until the CRA/LA is legally authorized to act as determined by the Court. In light of these circumstances, the City Council may approve certain specified actions as described in this report on the condition that the CRA/LA will not execute agreements or take any actions thereto until the Court has decided the case on the merits or otherwise restored the contracting authority of redevelopment agencies. The Court ruling on the legal challenge to the legislation is anticipated by January 15, 2012.
3. RECOGNIZE that action of the Council as detailed in Recommendations Nos. 2-5 herein is subject to the conditions of the Court's stay and the provisions of AB x1-26 that are not subject to the stay.
4. AUTHORIZE the CRA/LA to recognize \$14,677,920 of State Department of Housing and Community Development (HCD) Proposition 1C Infill and Infrastructure Grant funds and place said funds into the following budget line items which will allow expedited expenditure of these funds for public improvements and housing improvements as and when appropriate:

<u>Budget Line Item</u>	<u>Amount</u>
Crenshaw Economic Development Opportunities (CR6990)	\$4,126,511
Mid-City Economic Development Opportunities (MD2700)	\$9,051,409
Mid-City Affordable Housing (MD1550)	<u>\$1,500,000</u>
Total	\$14,677,920

5. ADOPT the accompanying JOINT RESOLUTION making findings in accordance with California Health and Safety Code Section 33445 that funding these public improvements is of benefit to the Crenshaw Amended Redevelopment Project Area and the Mid-City Recovery Redevelopment Project Area.

6. AUTHORIZE the Chief Executive Officer, CRA/LA, or designee, to amend purchase order No. [09-0626](#) with S L Franklin Enterprises, Inc. (dba Urban Design Center) to revise the scope of work to manage the \$14,677,920 Proposition 1C grant contract coordination/compliance work so as to ensure CRA/LA reimbursement and to increase compensation by \$145,000, from \$75,000, for a total purchase order amount not to exceed \$220,000 for a new term ending January 28, 2014, subject to the review of the City Attorney as to form and the Department of Public Works, Bureau of Contract Administration as to compliance with any applicable CRA/LA contracting requirements.
7. APPROVE the CRA/LA's implementation of the Crenshaw/Mid City Corridors Infill and Infrastructure Project under the Cooperation Agreement for Payment of Costs Associated with Certain Agency Funded Capital Improvements, Public Improvements, and Housing Projects, dated March 10, 2011 between CRA/LA and the City of Los Angeles.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact on the General Fund. Approval of the recommendations will result in the expenditure of \$14,677,920 in Proposition IC II funds from the State HCD. The City's Financial Policies are not applicable to the CRA/LA. The CRA/LA is bound only by the disclosure provisions of the City's Debt Management Policies. The recommendations are in compliance with the CRA/LA's Financial Policies in that the recommended actions are consistent with the Budget and Work Program for the Project Areas.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 16, 2011, the Housing, Community and Economic Development Committee considered a transmittal from the CRA/LA dated October 6, 2011 and a report from the CAO dated November 15, 2011 relative to expenditure of \$14,677,920 for public improvements, and authority to execute a contract amendment with S L Enterprises to extend the term of the contract by four years and increase compensation to an amount not to exceed \$200,000, in the Crenshaw Amended Redevelopment Project Area and the Mid-City Recovery Redevelopment Project Area.

After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations contained in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

ED P. REYES, VICE CHAIR
 RICHARD ALARCÓN, MEMBER
 HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CARDENAS:	ABSENT
REYES:	YES
ALARCON:	YES
PERRY:	ABSENT
WESSON:	ABSENT

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