

**TO THE COUNCIL OF THE  
CITY OF LOS ANGELES**

Your **HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT** Committee

**reports as follows:**

CATEGORICAL EXEMPTION, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT and JOINT RESOLUTION relative to expenditure of \$1 million for Community Redevelopment Agency of Los Angeles (CRA/LA)-funded improvements to the City-owned Warner Grand Theater at 478 West Sixth Street in the Pacific Corridor 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 Section 15331 of the State and 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 Assembly Bill (AB) x1-26 and all of AB x1-27. 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, subject to the conditions of the Court's stay and the provisions of AB x1-26 and AB x1-27 that are not subject to the stay. The Court has indicated that it will issue a ruling by January 15, 2012.
3. ADOPT the accompanying JOINT RESOLUTION under California Health and Safety Code Section 33445 finding that: the proposed use of CRA/LA Pacific Corridor Tax Increment funds not to exceed \$1,000,000 for improvements to the Warner Grand Theater will benefit the Pacific Corridor Redevelopment Project Area by eliminating blight within that Project Area; the proposed expenditure is the only reasonably available means of financing these improvements for the Project Area, and the construction of the improvements is consistent with the Five-Year Implementation Plan adopted by the CRA/LA Board of Commissioners for the Project Area; subject to the conditions of the Court's stay and the provisions of AB x1-26 and AB x1-27 that are not subject to the stay.
4. ACKNOWLEDGE and APPROVE the CRA/LA's implementation of the Warner Grand Theater Project improvements under the Cooperation Agreement for Payment of Costs Associated with Certain CRA/LA-Funded Capital Improvements, Public Improvements and Affordable Housing Projects, dated as of March 10, 2011 between the CRA/LA and the City of Los Angeles.
5. INSTRUCT the CRA/LA to notify the Department of General Services (GSD) that it may not start work on repairs to the Warner Grand Theater until litigation currently at the California Supreme Court is resolved on or after January 15, 2012 and the CRA/LA is legally authorized to transfer funds for GSD to begin this work.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that there is no impact to the General fund as a result of this action, inasmuch as funding will be derived from Pacific Corridor Redevelopment Project Area tax increment funds. Of the \$1 million in funds to be used for repairs to the Theater, a portion of the funds (\$400,000) is contained in the Fiscal Year 2011-12 Carryover Amendment which was transmitted to the Council for approval on December 1, 2011 (C.F. 11-0763-S1). The balance (\$600,000) will be funded by future-year Project tax increment funds, subject to availability of funds.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on December 14, 2011, the Housing, Community and Economic Development Committee considered a transmittal from the CRA/LA dated November 3, 2011 and a report from the CLA dated December 12, 2011 relative to adopting findings in accordance with Health and Safety Code Section 33445 for the expenditure of an amount not to exceed \$1 million for CRA/LA-funded improvements to the City-owned Warner Grand Theater at 478 West Sixth Street in the Pacific Corridor Redevelopment Project Area of Council District 15.

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

Respectfully submitted,

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

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

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**Not Official Until Council Acts**