



MIKE FEUER
CITY ATTORNEY

REPORT NO. R 1 3 - 0 2 0 7
JUL 2 5 2013

REPORT RE:

DRAFT ORDINANCE ABOLISHING THE COMMUNITY DEVELOPMENT DEPARTMENT, RE-DESIGNATING THE ECONOMIC DEVELOPMENT DEPARTMENT AS THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT, AND AMENDING PROVISIONS OF THE LOS ANGELES ADMINISTRATIVE CODE AND LOS ANGELES MUNICIPAL CODE TO TRANSFER THE ADMINISTRATION OF ECONOMIC DEVELOPMENT FUNCTIONS FROM THE COMMUNITY DEVELOPMENT DEPARTMENT TO THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT

The Honorable City Council
of the City of Los Angeles
Room 395 City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed draft ordinance amending provisions of the Los Angeles Administrative Code and Los Angeles Municipal Code to abolish the Community Development Department, re-designate the Economic Development Department, and amend certain provisions of the Los Angeles Administrative Code and Los Angeles Municipal Code to transfer specified economic development functions of the Community Development Department to the Economic and Workforce Development Department.

2013 JUL 25 10:30 AM

Background and Summary of Ordinance Provisions

Your Honorable Body requested, as part of the adoption of the Fiscal Year 2013-2014 budget, that this Office draft an ordinance amending all applicable provisions of the Los Angeles Administrative Code and Los Angeles Municipal Code to abolish the Community Development Department, to re-designate the Economic Development Department as the Economic and Workforce Development Department, and to transfer certain economic development functions from the Community Development Department to the Economic and Workforce Development Department. The enclosed draft ordinance incorporates the requested provisions. The draft ordinance consolidates economic development functions within the Economic and Workforce Development Department by transferring certain economic development functions to the new Department. Examples of programs to be transferred include the administration of certain loan and bond trust funds and assumption of the Community Development Department's functions in relation to the Industrial Development Authority, First Source Hiring, Sidewalk Vending and recommendations on approvals of new "superstores," as well as administration of Enterprise Zone Tax Credits.

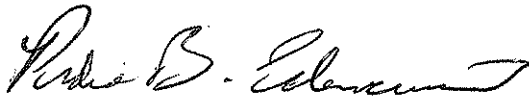
Council Rule 38 Referral

This draft ordinance has been reviewed by the Office of the Chief Legislative Analyst and the Office of the City Administrative Officer, and the ordinance incorporates their comments and suggestions. The draft ordinance is being transmitted to the Community Development Department with a request that any comments be transmitted directly to the City Council or its committees when this matter is considered.

If you have any questions regarding this matter, please contact Assistant City Attorney Curtis S. Kidder at (213) 978-7736 or Deputy City Attorney Miguel Dager at (213) 978-7740. They or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:MD:vw
Transmittal

ORDINANCE NO. _____

An ordinance repealing Article 1 of Chapter 19 of Division 22 of the Los Angeles Administrative Code to abolish the Community Development Department, amending Section 22.1000 of Article 1 of Chapter 30 of the Los Angeles Administrative Code to re-designate the Economic Development Department as the Economic and Workforce Development Department, and amending certain other provisions of the Los Angeles Administrative Code and Los Angeles Municipal Code to transfer specified economic development functions of the Community Development Department to the Economic and Workforce Development Department.

WHEREAS, the City Council, on October 16, 1976, adopted Ordinance No. 148,792 thereby creating the Community Development Department to provide for the proper planning, coordination, direction and management of the City's community development activities, and providing it with certain specified powers, duties and responsibilities; and

WHEREAS, the City Council, on April 9, 2013, adopted Ordinance No. 182,500 thereby creating the Economic Development Department to perform certain specified economic development activities, including workforce development and training, as a part of the City's new economic development program; and

WHEREAS, the City Council desires to now abolish the Community Development Department, to rename the Economic Development Department as the Economic and Workforce Development Department, and to transfer certain economic development functions from the Community Development Department to the Economic and Workforce Development Department.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Article 1 of Chapter 19 of Division 22 of the Los Angeles Administrative Code is hereby repealed, effective upon the full assumption of the powers, duties and responsibilities of the Community Development Department by the appropriate departments as designated by the City Council.

Sec. 2. Section 22.1000 of the Los Angeles Administrative Code is hereby amended to read as follows:

There is hereby created a department in City government to be known as the Economic and Workforce Development Department, referred to in this Chapter as the "Department."

Sec. 3. Subparagraph (3) of Paragraph (a) of Section 5.336 of the Los Angeles Administrative Code is hereby amended to read as follows:

(3) Money in the Fund will be pledged to replenish the Business Fund. The maximum amount of money held in the Fund during any month may not exceed the total amount deposited into the Fund during the preceding two months. At the end of each month any money not disbursed to replenish the Business Fund and any money above the maximum amount that may be deposited into the Fund shall be deemed excess money, shall no longer be a part of the Fund and shall be distributed out of the Fund to the Economic and Workforce Development Department's Urban Development Action Grant Revolving Loan Fund.

Sec. 4. Subparagraph (4) of Paragraph (a) of Section 5.336 of the Los Angeles Administrative Code is amended to read as follows:

(4) The Fund is to be administered and expended by the Economic and Workforce Development Department, but expenditures may be made only after authorization by the City Council.

Sec. 5. Subparagraph (3) of Paragraph (c) of Section 5.336 of the Los Angeles Administrative Code is amended to read as follows:

(3) The Fund shall be administered by the General Manager of the Economic and Workforce Development Department, but expenditures may be made only after authorization by the Council. Guidelines for the Program may be adopted by the Council.

Sec. 6. Paragraph (e) of Section 5.460 of the Los Angeles Administrative Code is amended to read as follows:

(e) The Fund shall be administered by the General Manager of the Economic and Workforce Development Department, or the General Manager's designee.

Sec. 7. Section 7.27.2 of the Los Angeles Administrative Code is hereby amended to replace the phrase "Economic Development Department" with "Economic and Workforce Development Department." All other provisions of Section 7.27.2 shall remain the same.

Sec. 8. Subparagraph (6) of Paragraph (B) of Section 7.303 of the Los Angeles Administrative Code is hereby amended to read as follows:

6. Economic and Workforce Development Department (EWDD);

Sec. 9. Paragraph (a) of Section 8.202 of the Los Angeles Administrative Code is hereby amended to read as follows:

(a) The Economic and Workforce Development Department shall provide all necessary administrative and other support to the Authority. The City Clerk shall act as the Secretary to the Authority. The City Controller and City Treasurer shall be the Controller and Treasurer, respectively, of the Authority. The Authority shall reimburse the City in full for all administrative and other support services provided by the City from the fees and charges which the Authority is authorized to collect by the Act or from any other revenue which it may have.

Sec. 10. Section 10.44.1 of the Los Angeles Administrative Code is hereby amended by deleting the definition “‘CDD’ means the City Community Development Department’s Workforce Development System” and adding the following after the definition of “Designated Administrative Agency”:

“EWDD” means the City’s Economic and Workforce Development Department’s Workforce Development System.

Sec. 11. Paragraph (a) of Section 11.5.1 of the Los Angeles Administrative Code is hereby amended to read as follows:

(a) The City’s Debt Management Policy shall provide policies for the issuance of bonds, notes and other evidences of indebtedness (collectively, “Bonds”). The City Administrative Officer shall from time to time prepare and present recommendations for changes to the Debt Management Policy, shall be the Debt Administrator for the City, and shall be responsible for the issuance and management of Bonds secured by the City General Fund or other special purpose funds, but not including Bonds issued by the Departments of Water and Power, Airports, Harbor, Housing and Community Investment Department; Economic and Workforce Development Department, the former Community Redevelopment Agency of the City of Los Angeles or its successors, the Housing Authority of the City of Los Angeles or the Industrial Development Authority of the City of Los Angeles.

Sec. 12. Paragraph (b)(1)(I) of Section 11.5.1 of the Los Angeles Administrative Code is amended to read as follows:

I. Designated Administrators of City Debt

The City Administrative Officer (“**Director**”) structures debt issuances and oversees the ongoing administration of all General Fund and certain special fund debt programs. These include General Obligation Bonds, lease purchase obligations, revenue obligations, Judgment Obligation Bonds, special tax obligations, and Mello-Roos and special assessment obligations. Other

programs are added from time to time as new debt instruments are developed. The Departments of Airports, Harbor, Water and Power, Housing and Community Investment, Economic and Workforce Development, Housing Authority and Industrial Development Authority are responsible for issuing and administering their own debt, due to the specialized aspects of the debt issued by these agencies and the integral ties between the debt which is issued and the programs these agencies administer. The City Council is the final issuer of all City debt and awards all contracts for the purchase of bonds.

Sec. 13. Paragraph (b)(1)(VI) of Section 11.5.1 of the Los Angeles Administrative Code is amended to read as follows:

VI. Applicability of Policies to Other City Issuers

The Departments of Airports, Harbor, Water and Power, Housing and Community Investment, Economic and Workforce Development, Housing Authority and Industrial Development Authority issue debt on their own behalf. It is understood that various requirements of State law and the City Charter which apply to these programs, as well as unique aspects of these financing programs, make across the board application of these policies in their entirety to all City issuers not possible. However, it is the Mayor's and Council's intent that where practicable, these policies apply to all City issuers. Deviations from these sections of the policy should be fully explained to the Mayor and Council at the time authority to enter into debt is requested.

Sec. 14. Paragraph (b)(1)(C) of Section 14.8 of the Los Angeles Administrative Code is hereby amended to read as follows:

C. For purposes of administering the Workforce Investment Act grant, the General Manager of the Economic and Workforce Development Department shall have the authority to negotiate and execute contracts as set forth in the agreement between the Workforce Investment Board and the Chief Local Elected Official.

Sec. 15. Section 22.360 of the Los Angeles Administrative Code is amended to read as follows:

There is hereby created within the Economic and Workforce Development Department the Office of Sidewalk Vending Administrator under the control and management of the "Sidewalk Vending Administrator."

Sec. 16. Paragraph (c) of Section 22.361 of the Los Angeles Administrative Code is amended to read as follows:

(c) Oversee, under the direction of the General Manager of the Economic and Workforce Development Department, the allocation of vending locations in special sidewalk vending districts;

Sec. 17. Section 22.473 of the Los Angeles Administrative Code is hereby repealed.

Sec. 18. Paragraph (U)(14)(a) of Section 12.24 of the Los Angeles Municipal Code, which sets forth the definition of "Economic Assistance Areas," is hereby amended to read as follows:

Economic Assistance Areas means the existing geographically defined areas. Five State Enterprise Zones, Federal Empowerment Zone, Federal Renewal Community Zone, thirty-seven Community Redevelopment Agency Project Areas, and Earthquake Project Areas, and a one-mile buffer surrounding each of the above-identified zones, as identified by the Economic and Workforce Development Department and as shown on the "Los Angeles Economic Assistance Areas" Map, dated January 2004, which is attached to Council File No. 00-1675 S2 and is on file in the Economic and Workforce Development Department, and which may be amended from time to time.

Sec. 19. Paragraph (U)(14)(d)(1) of Section 12.24 of the Los Angeles Municipal Code is hereby amended to read as follows:

(1) **Additional Findings.** In addition to the findings otherwise required by this Section and set forth in Paragraph (b) of this Subdivision, prior to approval of a Superstore that is located in an Economic Assistance Area, the City Planning Commission or the City Council on appeal shall find, after consideration of all economic benefits and costs, that the Superstore would not materially adversely affect the economic welfare of the Impact Area, based upon information contained in an economic impact analysis report submitted by the applicant, any other information received or obtained by the Economic and Workforce Development Department, a recommendation by the Economic and Workforce Development Department, pursuant to Subparagraph (3) below, and any other information received before or at a public hearing required by this Section. The phrase "Impact Area" refers to a three-mile radius surrounding the proposed location of the Superstore.

Sec. 20. The first paragraph of paragraph (U)(14)(d)(2) of Section 12.24 of the Los Angeles Municipal Code is hereby amended to read as follows:

(2) **Procedures.** An application for approval of a Superstore pursuant to this paragraph shall follow the procedures for conditional use permits otherwise required by this Section. In addition, the applicant shall prepare and submit the economic impact analysis report referenced in Subparagraph (1) to the Economic and Workforce Development Department for review in conjunction

with its application to the Department of Planning. The economic impact analysis report shall be reviewed by the Department and/or a consultant, if deemed necessary by the Department and paid for in full by the applicant. The Department shall complete its review of the report within sixty (60) days after receipt of the report from the applicant. The report shall identify whether:

Sec. 21. Paragraph (U)(14)(d)(3) of Section 12.24 of the Los Angeles Municipal Code is hereby amended to read as follows:

(3) **Recommendation.** The Economic and Workforce Development Department shall review the economic impact analysis report and, after consideration of economic benefits and costs, make a written recommendation as to whether the proposed Superstore will result in a materially adverse economic impact on the Impact Area and, if so, whether conditions are available which will mitigate the economic impact. The written recommendation, including proposed mitigation measures, if any, shall be submitted to the Department of Planning by the Economic and Workforce Development Department in accordance with the written procedures on file with the Department.

Sec. 22. Section 21.17.1 of Article 1.17 of the Los Angeles Municipal Code is hereby amended to read as follows:

SEC. 21.17.1. GENERAL.

All applicants seeking an Enterprise Zone Hiring Tax Credit Voucher as authorized by Sections 17053.74 and 23622.7 of the California Revenue and Taxation Code shall pay a service fee to the Economic and Workforce Development Department, the City's Enterprise Zone Administrator for processing such applications.

Sec. 23. Section 21.17.2 of Article 1.17 of the Los Angeles Municipal Code is hereby amended to read as follows:

SEC. 21.17.2. FEES FOR APPLICATION.

The State of California has established a fee of ten dollars (\$10.00) for each application submitted to the State by the local Enterprise Zone Administrator effective November 1, 2004, pursuant to the provisions of California Government Code Section 7086. The City has determined that an additional twenty-five dollar fee (\$25.00) is required to offset the cost of processing such applications by the City. Applicants for an Enterprise Zone Hiring Tax Credit Voucher shall pay a service fee of thirty-five dollars (\$35.00) to the Economic and Workforce Development Department. The Department shall submit ten dollars (\$10.00) of this fee to the State of California as required by State law. The balance of fees collected shall be used to offset costs of administering the program by the Department.

Sec. 24. Section 21.17.3 of Article 1.17 of the Los Angeles Municipal Code is hereby amended to read as follows:

SEC. 21.17.3. REDUCTION OF FEES.

In the event that the State law authorizing the collection of the ten dollar (\$10.00) fee for the State should no longer be in effect, the fee to be charged by the Economic and Workforce Development Department for each application shall be twenty-five dollars (\$25.00).

Sec. 25. Section 21.17.4 of Article 1.17 of the Los Angeles Municipal Code is hereby amended to read as follows:

SEC. 21.17.4. NOTICE OF FEE INCREASES.

If the State determines that the fee to be collected by the Enterprise Zone Administration is to be increased above the ten dollars (\$10.00) currently authorized, the General Manager of the Economic and Workforce Development Department or an authorized representative shall issue adequate public notice of the fee increase and shall adjust its collection of the fee in conformity with the State requirements.

Sec. 26. Paragraphs (m)(2), (m)(9), (m)(10), (m)(11), (m)(11)(E), (m)(12)(C), (m)(12)(D), (m)(17), (m)(19), (m)(20), (m)(22)(A) and (m)(24)(A) of Section 42 of the Los Angeles Municipal Code are hereby amended by deleting the phrase "Community Development Department" wherever it appears and replacing it with "Economic and Workforce Development Department." All other provisions of Section 42 shall remain the same.

Sec. 27. Severability. If any provision of this ordinance is for any reason held to be invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining provisions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each provision thereof irrespective of the fact that one or more other provisions may be declared to be invalid, unconstitutional or otherwise unenforceable.

Sec. 28. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved: _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
Miguel A. Dager, Deputy City Attorney

Date: July 26, 2013

File No. _____