



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 6 - 0 2 5 0

AUG 1 2 2016

**REPORT RE:**

**DRAFT ORDINANCE ADDING CHAPTER 172 TO DIVISION 5 OF THE  
LOS ANGELES ADMINISTRATIVE CODE TO CREATE THE ECONOMIC  
DEVELOPMENT TRUST FUND AND AMENDING SECTION 5.500 OF THE  
LOS ANGELES ADMINISTRATIVE CODE TO AUTHORIZE THE USE OF REAL  
PROPERTY TRUST FUNDS TO FUND ECONOMIC DEVELOPMENT**

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 the request your Honorable Body, we have prepared and now transmits for your consideration, the enclosed draft ordinance, approved as to form and legality, adding Chapter 172 to Division 5 of the Los Angeles Administrative Code to create the Economic Development Trust Fund for the receipt and disbursement of 50 percent of all monies for economic development projects or programs that are received by the City from the sale or lease of City owned property, and amending Section 5.500 of the Los Angeles Administrative Code, to authorize the use of Real Property Trust Funds for economic development projects or programs, including development subsidies or technical assistance.

Background and Summary of Ordinance Provisions

On May 3, 2016, your Honorable Body requested this Office to prepare and present a draft ordinance to establish a new interest-bearing Economic Development Trust Fund, to be administered by the Economic and Workforce Development

Department (EWDD), to receive eligible proceeds from the sale or lease of City property for economic development purposes in accordance with expenditure guidelines to be prepared by EWDD. The Council additionally requested this Office to prepare and present a draft ordinance amending Section 5.500 of the Los Angeles Administrative Code, the Real Property Trust Funds for each of the Council Districts, to authorize additional expenditures to include disbursements for economic development projects or programs, including public infrastructure, development subsidies or technical assistance. In the same action, the Council also authorized the Controller to establish an account in the new Economic Development Trust Fund to collect 50 percent from the sale or lease of economic development properties and to establish an account in each of the Council Districts Real Property Trust Funds for the remaining 50 percent of the proceeds from the sale or lease of economic development properties. The enclosed draft ordinance establishes the requested trust fund and expands the authorized use of Real Property trust funds for the requested economic development activities within the Council District from which the funds were generated.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Economic Workforce Development Department with a request that all comments be presented directly to Council when this matter is heard.

If you have any questions regarding this matter, please contact Deputy City Attorney Miguel Dager at (213) 978-7740. He 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   
DAVID MICHAELSON  
Chief Assistant City Attorney

DM:MD:vw  
Transmittal