

BUDGET AND FINANCE COMMITTEE REPORT relative to amending the Los Angeles Administrative Code (LAAC) to create the Economic Development Trust Fund and authorize the use of real property trust funds to fund economic development.

Recommendation for Council action:

REQUEST the City Attorney to prepare and present an Ordinance, in substantial conformance with the proposed Ordinance in the Communication from the City Attorney dated February 26, 2018 (attached to the Council file), adding Chapter 172 to Division 5 of the LAAC to receive eligible proceeds from the sale or lease of City property for economic development purposes, and amending Section 5.500 of the LAAC to authorize the use of Real Property Trust Funds for economic development projects or programs, including public infrastructure, development subsidies, or technical assistance.

Fiscal Impact Statement: None provided by the City Attorney. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on February 26, 2018, the Budget and Finance Committee considered a report and draft Ordinance from the City Attorney dated August 12, 2016, and a proposed revised Ordinance relative to adding Chapter 172 to Division 5 of the LAAC 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 the LAAC Section 5.500 to authorize the use of Real Property Trust Funds for economic development.

A representative of the City Attorney addressed the Committee and provided a brief overview of the revisions made to the Ordinance based on discussion during the Committee's previous consideration of the matter on January 29, 2018. The City Attorney representative noted that at the previous Committee meeting, the Chair expressed concern that the draft Ordinance as written was overly broad in that the Fund would allow the receipt of monies from the sale of all types of City-owned property. As a result, City Attorney revised Section 5.578(b) of the Ordinance to limit the monies deposited into the Fund to those which result from the sale of City-owned property which has been designated by the Council for economic development under the Asset Management Framework Policy.

Additionally, City Attorney revised Section 2, Subsection (d) of Section 5.500 of the Ordinance relative to Real Property Trust Funds to specify that 50 percent of the proceeds from the sale of City-owned properties designated by the Council for economic development would go into the Fund for the Council District in which the property was located, as requested by the Committee.

The revised draft Ordinance was submitted by the City Attorney representative (and subsequently attached to the Council file as a Communication from the City Attorney dated February 26, 2018), and the changes between the previous draft Ordinance and the revised

Ordinance (Section 5.578(b) and Section 2, Subsection (d) of Section 5.500) were read into the record by the Committee's Legislative Assistant.

After consideration, and after providing an opportunity for public comment, the Committee approved the revisions to the Ordinance and requested the City Attorney to prepare and present the revised Ordinance to the Council. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW 2/26/18 FILE NO. 16-0931

-NOT OFFICIAL UNTIL COUNCIL ACTS-