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CITY ATTORNEY

REPORT NO. R 17 - 0 3 4 3
OCT 0 4 2017

REPORT RE:

**DRAFT ORDINANCE AMENDING ARTICLE 4 OF CHAPTER 1 OF DIVISION 7
AND CHAPTER 24 OF DIVISION 22 OF THE LOS ANGELES ADMINISTRATIVE
CODE TO PROVIDE THE LOS ANGELES HOUSING AND COMMUNITY
INVESTMENT DEPARTMENT WITH THE AUTHORITY TO ACQUIRE AND RECEIVE
REAL PROPERTY AND A PROCESS BY WHICH TO DISPOSE OF IT FOR
THE PURPOSE OF AFFORDABLE HOUSING DEVELOPMENT**

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

Council File No. 17-0862

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 Article 4 of Chapter 1 of Division 7, Sale of Real Property No Longer Required For Use of the City, and Chapter 24 of Division 22, Los Angeles Housing Department of the Los Angeles Administrative Code (LAAC).

The draft ordinance provides the Los Angeles Housing and Community Investment Department (HCIDLA) with the authority to acquire and receive real property and a process by which to dispose of it for the purpose of affordable housing development. The added provisions essentially mirror LAAC Section 22.1007, et seq., and Section 7.27.2, which are currently utilized by the Economic Workforce Development Department (EWDD) for economic development purposes.

Background and Summary of Ordinance Provisions

An affordable housing crisis currently exists in the City of Los Angeles. HCIDLA is the City's expert in the development of affordable housing; however, existing law (codified at LAAC Section 7.33.2, et seq.) only provides it with the authority to acquire and dispose of properties taken back in foreclosure. HCIDLA indicates that this limitation of authority, coupled with the existing complicated disposal process, represents an impediment to the City's ability to develop affordable housing.

In 2013, the City Council adopted various ordinances, including LAAC Sections 22.1007, et seq., and 7.27.2, designed to facilitate new economic development opportunities in the City through the creation of a comprehensive and streamlined process by which EWDD may acquire and dispose of real property for economic development purposes, subject to Council approval. As a part of your September 5, 2017, adoption of the City's Housing Committee Report, you requested this Office to prepare ordinances similar to those authorized for use by EWDD so that HCIDLA may acquire, receive, manage, convey, dispose of, and develop real property for affordable housing development.

CEQA Findings

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) and City CEQA Guidelines, Article II, Section, 1, in that there is no possibility that the adoption of this ordinance may have a significant effect on the environment.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the draft ordinance was sent to the Department of General Services, the City Administrative Officer, the Chief Legislative Analyst and HCIDLA, all of which were requested to make any comments directly to City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Mei-Mei Cheng at (213) 978-0055. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:MMC:pj
Transmittal