

09-0318-S1

SPECIAL 1

APR 24 2009

# MOTION

On February 18, 2009, the Council approved a Community Development Block Grant (CDBG) short-term loan to Girls Today Women Tomorrow (GTWT) in the amount of \$500,000 (CF 09-0318). GTWT has a commitment of State Proposition 40 funds to acquire property for a new facility in Council District 14, however these funds have been frozen pending resolution of State budget shortfalls. The CDBG loan was intended to allow GTWT to purchase the property before escrow closes on April 30, 2009 and to be repaid when the State releases the Proposition 40 Funds.

Since the posting of today's agenda, it has come to the Council Office's attention that CDBG funds cannot be released in time to meet the escrow deadline, due to environmental posting requirements. Therefore, in order to ensure that GTWT can close escrow and retain their \$30,000 deposit, Council should approve a short-term loan of UDAG Miscellaneous Revenue funds instead of CDBG. As was anticipated for the CDBG loan, this loan will be repaid when the state releases Proposition 40 funds. CDBG funds previously allocated for the loan will be restored to their original accounts.

I THEREFORE MOVE that the City Council determine, as provided by Section 54954.2(b)(2) of the Government Code, and pursuant to Rule 23 of the Rules of the City Council, that there is a need to take immediate action on this matter AND that the need for action came to the attention of the City subsequent to the posting of the agenda for today's Council meeting.

I FURTHER MOVE that the Council:

- 1) Approve the use of \$500,000 UDAG Miscellaneous Revenue for the purpose of providing a short-term loan to Girls Today Women Tomorrow to purchase and renovate a new facility in Council District 14, as a loan subject to repayment upon receipt of Proposition 40 approved by the State for this project.
- 2) Authorize the Controller to restore Community Development Block Grant funds previously allocated for this purpose as follows:
  - a) Transfer appropriations within the Community Development Trust Fund No. 424 as follows:

	Account	Title	Amount
<b>From:</b>	E721	Girls Today Women Tomorrow	\$500,000.00

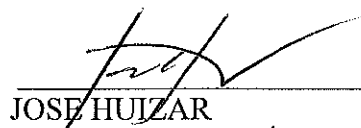
	Account	Title	Amount
<b>To:</b>	C376	Boyle Heights Green Corridor	\$200,000.00
	E423	Homeless Facility CD9	200,000.00
	A449	El Sereno Recreation Center	75,000.00
	E140	GSD-Hazard Park	25,000.00
		<b>Total</b>	<b>\$500,000.00</b>

b) Increase appropriations within Fund No. 100/40 as follows:

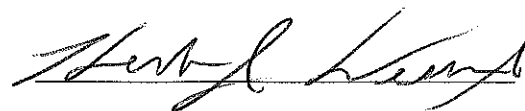
	<b>Account</b>	<b>Title</b>	<b>Amount</b>
	1104		\$5,526.70
	1101	Hiring Hall Salaries	7,587.00
	1121	Hiring Hall Fringe Benefits	1,770.30
	3180	Construction Materials	10,116.00
		<b>Total</b>	\$25,000.00

- c) Establish new account E721 Girls Today Women Tomorrow and appropriate \$500,000 within UDAG Miscellaneous Revenue Fund #356.
- d) Expend funds upon proper demand of the General Manager of CDD.
- 3) Authorize the General Manager of the Community Development Department to:
- a) Negotiate and execute a loan agreement with Girls Today Women Tomorrow, subject to repayment upon receipt by GTWT of Proposition 40 funds previously allocated to this project from the State of California;
  - b) Take the necessary actions to replace funds into the UDAG Miscellaneous Revenue Fund #356 upon repayment by GTWT;
  - c) Prepare Controller Instructions and/or make any technical adjustments that may be required and are consistent with this action subject to the approval of the CAO and request the Controller to implement these instructions; and
  - d) Amend the Housing and Community Development Action Plan as necessary, in accordance with the City's adopted Citizen's Participation Plan.

PRESENTED BY

  
JOSE HUIZAR  
Councilmember, 14<sup>th</sup> District

SECONDED BY



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ORIGINAL