

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your

**BUDGET AND FINANCE
and
TRANSPORTATION Committees**

reports as follows:

BUDGET AND FINANCE and TRANSPORTATION COMMITTEES' REPORT relative to Measure R Local Return Funds guidelines and interim budget.

Recommendations for Council action, pursuant to Motion (Greuel-Huizar):

1. APPROVE a plan for the expenditure of the City's Measure R local return funds that includes:
 - a. The accelerated three percent local match for the Measure R projects in the City of Los Angeles and a proposed schedule of funding requirements across multiple years;
 - b. No provision of funding to offset the Proposition A deficit and an instruction for the Department of Transportation (LADOT) to manage the transit program within the funding constraints of Proposition A and the Measure R bus operations fund revenues;
 - c. An annual allocation of a ten percent set-aside for bicycle and pedestrian programs through Fiscal Year (FY) 2010-11 and direction to the LADOT to prepare a pedestrian and bicycle project work plan for the expenditure of these funds; **(Rosendahl-Huizar-Koretz-LaBonge)**;
 - d. A City policy that Measure R funds will be used primarily for capital projects and that ongoing, non-capital programs will be limited to ten percent of the current year revenue;
 - e. An annual set-aside for project contingency in the amount of \$1million and a set-aside for administrative costs in the amount of \$500,000;
 - f. Funding to the Bureau of Street Services for the creation of sidewalk access ramps to accelerate the City's efforts to ensure that all constituents have equal access to the City's public infrastructure.
2. AUTHORIZE the City Administrative Officer (CAO) to make technical corrections to the Measure R budget to accurately reflect the intent of the Council.
3. INSTRUCT the LADOT, with the assistance of the Bureau of Engineering and Bureau of Street Services, to develop a plan for the completion of all existing transportation grant projects identified in the City Projects Summary (Attachment 1 of the CAO report) within the funding constraints of Proposition C, and if necessary, recommend funding from Measure R where the impacts are clearly defined.
4. RECEIVE and FILE the LADOT's July 15, 2009 and October 7, 2009 reports, and the November 13, 2009 joint CAO/Chief Legislative Analyst (CLA) report.

Fiscal Impact Statement: The CAO and CLA report that the recommendations in this report will provide policy guidelines to revise the budget for the City's Measure R Local Return funding. The

City's Measure R funds are available funds that may provide assistance to services or programs funded through the City's Proposition A and Proposition C funds. Due to shortfalls in both Proposition A and Proposition C funds, the policies adopted may affect the services or programs that are funded by the City's Proposition A and Proposition C funds. There is no impact to the City's General Fund.

Community Impact Statement: None submitted

SUMMARY

At a joint meeting of the Budget and Finance and Transportation Committees on April 19, 2010, the Committees considered a joint CAO/CLA report relative to Measure R Local Return Funds guidelines and interim budget. Measure R, approved by the voters in Los Angeles County in November 2008, provides an additional one-half cent sales tax increase for 30 years to make a variety of improvements to the County's transportation system. The joint CAO/CLA report provides Measure R Local Return Funds guidelines and an interim budget which takes into effect the downward projections in program funds due to the current economic recession.

The joint CAO/CLA report recommends an annual allocation of a ten percent set-aside for bicycle and pedestrian programs (five percent each). During the public comment period numerous speakers expressed the desire for an increase in the set-aside for bicycle programs. Councilmembers Parks and Smith recommended that the set-aside for bicycle and pedestrian programs be revised to be up to 10 percent of the available funding and not a hard 10 percent, to allow for greater flexibility. Councilmembers Rosendahl, Koretz, LaBonge and Huizar however voted to retain the 10 percent set-aside through Fiscal Year (FY) 2010-11, with the intent to review the available funding after FY 2010-11 to determine if the 10 percent set-aside remains feasible.

The Budget and Finance and Transportation Committees recommended approval of the recommendations contained in the joint CAO/CLA report with an amendment to the recommendation concerning the bicycle/pedestrian set-aside program. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

TRANSPORTATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	YES
KORETZ:	YES

<u>MEMBER</u>	<u>VOTE</u>
ROSENDAHL:	YES
LABONGE:	YES
ALARCÓN:	ABSENT
KORETZ:	YES
PARKS:	YES

LB
09-0600-s48_rpt_bfc_04-21-10

-NOT OFFICIAL UNTIL COUNCIL ACTS-