



MIKE FEUER  
CITY ATTORNEY

REPORT NO. R 1 3 - 0 2 4 7  
AUG 27 2013

REPORT RE:

**DRAFT ORDINANCE AMENDING THE LOS ANGELES  
ADMINISTRATIVE CODE REGARDING DEPARTMENT OF WATER AND POWER  
GREEN RETROFIT LOANS**

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. 13-0721

Honorable Members:

On June 18, 2013, the City Council requested that our Office prepare an ordinance amending the Los Angeles Administrative Code (LAAC) to allow Department of Water and Power (DWP) loans for the Green Retrofit Program to be financed for up to 20 years. The Department of General Services (GSD) administers the Green Retrofit Program.

Pursuant to your request, this Office has prepared and now transmits for your consideration the attached draft ordinance, approved as to form and legality. The draft ordinance would amend LAAC Section 23.141(e). The draft ordinance lengthens the recovery period for DWP green retrofit loans from 10 years to 20 years.

Background and Summary of Ordinance Provisions

Currently, LAAC Section 23.141(e) provides that DWP funds financing Water and Power Customer Energy Efficiency programs (WCEEPs), Solar Energy Projects (SEPs), and Utility Infrastructure Project (UIP) loans along with applicable interest payments shall be: (1) above DWP's cost of funds; and (2) fully recovered within 10 years. The draft ordinance allows the DWP loans to be: (1) at DWP's cost of funds; and (2) fully recovered within 20 years.

CEQA Determination

We recommend that, prior to adoption of this ordinance, you determine that your action is exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines Sections 15060(c)(2) and (3) because it will not result in a direct or reasonably foreseeable indirect physical change in the environment. Moreover, your action merely creates a funding mechanism, or comprises other fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and is therefore not a project as defined in CEQA Guidelines Section 15378(b)(4). In addition, Council may determine that adoption of the ordinance is exempt from CEQA under City CEQA Guidelines Article II, Section 1 (General Exemption) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

If the Council concurs with the above, it may comply with CEQA by making one or all of these determinations prior to, or concurrent with, its action on the ordinance. It is also recommended that you direct Staff to cause the filing of a Notice of Exemption in accordance with CEQA Guidelines Section 15062.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to DWP and GSD, requesting that they address any comments that they may have directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Juliann Anderson at (213) 978-8124. She 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:JA:mg  
Ttransmittal

cc: Tony Royster, General Manager and City Purchasing Agent  
Richard Brown, Senior Assistant City Attorney

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Subsection (e) Section 23.141, Article 1, Chapter 7, Division 23 of the Los Angeles Administrative Code regarding the financing timeframe of DWP loans for the City of Los Angeles Green Retrofit Program

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection (e) of Section 23.141 of the Los Angeles Administrative Code is amended to read as follows:

**Sec. 23.141. Additional Contracting Authority of the General Manager of the Department of Water and Power Related to Energy Efficiency Projects, Utility Infrastructure Projects, Water Conservation and Solar Energy Projects.**

(e) The funds provided by the Department of Water and Power to finance Water and Power Customer Energy Efficiency programs (WCEEP), Solar Energy Projects (SEP), Utility Infrastructure Project (UIP) loans, and any other Green Retrofit Program loans as contemplated by Los Angeles Administrative Code Section 5.532, along with applicable interest payments, shall be at the Department's cost of funds and shall be fully recovered within the life of the measure(s) financed up to a maximum of twenty years.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records. I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of \_\_\_\_\_.

HOLLY L. WOLCTT, Interim City Clerk

By \_\_\_\_\_  
Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By   
JULIANN ANDERSON  
Deputy City Attorney

Date \_\_\_\_\_

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