COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

February 13, 2007

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVE EXCHANGE OF CDBG FUNDS BETWEEN THE CITIES OF MALIBU AND SAN FERNANDO (3)
(3 Vote)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of the transfer of CDBG funds from the City of Malibu to the City of San Fernando is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

2. Approve Amendment No. 1 to CDBG Reimbursable Contract No. 70745 between the County of Los Angeles and the City of San Fernando, presented in substantially final form, to add $155,925 from the City of Malibu, in exchange for $90,436.50 in general tax revenues, pursuant to an agreement between the two cities, which will increase the amount of CDBG funds allocated to the City of San Fernando from $621,467 to $777,392.

3. Approve Amendment No. 1 to CDBG Reimbursable Contract No. 70737 between the County of Los Angeles and the City of Malibu, presented in substantially final form, to remove $80,649 in CDBG funds that are being exchanged for $90,436.50 in general tax revenues from the City of San Fernando, pursuant to an agreement

4. Authorize the Executive Director of the Community Development Commission to execute on behalf of the County of Los Angeles the contract amendments, attached hereto in substantially final form, to be effective following approval as to form by County Counsel and execution by all parties, through June 30, 2007.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The City of Malibu has executed an agreement with the City of San Fernando to grant CDBG funds in exchange for general tax revenue funds. The proposed amendment will effectuate the transfer of these funds.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The City of Malibu has agreed to transfer $155,925, in previously allocated CDBG funds, to the City of San Fernando, in exchange for $90,436.50 in general tax revenues.

The City of San Fernando has agreed to accept $155,925 in CDBG funds from the City of Malibu. The current contract amount for the Reimbursable Contract with the City of San Fernando is $621,467 in CDBG funds. The proposed amendment will incorporate the new funds, thereby increasing the contract amount to $777,392 in CDBG funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The City of Malibu has agreed to transfer a total of $155,925, in CDBG funds from previous fiscal years, to the City of San Fernando, in exchange for $90,436.50 in general tax revenues.

The City of San Fernando will use the additional CDBG funds to implement CDBG-eligible projects for low- and moderate-income persons, while the City of Malibu will use the general tax revenues for city operations.

The contract amendment, attached hereto in substantially final form, will be used for the proposed transfer of funds. The amendment will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM:

The proposed contract amendment will enable the City of San Fernando to increase the amount of CDBG funds available to administer and implement CDBG-eligible projects to benefit low- and moderate-income persons, and the City of Malibu to use general tax funds for city operations.

Respectfully submitted,

Carlos Jackson

CARLOS JACKSON
Executive Director

Attachment: 1

COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT WITH PARTICIPATING CITY
AMENDMENT NUMBER ___1_____

CITY: SAN FERNANDO

CONTRACT NUMBER: 70745

THIS AMENDMENT NO. 1 TO CONTRACT 70745 is made this_____ day of _____, 2007, by and between the County of Los Angeles, hereinafter called the "County," and the City of San Fernando, hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County and the Operating Agency previously entered into a Community Development Block Grant Program Reimbursable Contract 70745 with Participating City, Contract Number 70745 dated July 1, 2006, and

WHEREAS, the County and the Operating Agency desire to amend said Contract in order to reflect an exchange of $155,925 in CDBG funds from the City of Malibu for $90,436.50 in general tax revenue funds of the Operating Agency so that the City of Malibu may gain additional funds for its general city operations and the Operating Agency may better implement its CDBG-eligible projects;

WHEREAS, the Community Development Commission of the County of Los Angeles administers this Contract on behalf of the County.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that said Contract Number 70745 be amended as follows:

1. **COMPENSATION AND METHOD OF PAYMENT** has been amended to show a revised compensation amount of seven hundred seventy-seven thousand three hundred ninety-two dollars (**$777,392**). This is an increase of one hundred fifty-five thousand nine hundred twenty-five dollars (**$155,925**) to the contract amount.

2. All other terms and conditions of said Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the Executive Director of the Community Development Commission, and the Participating City has subscribed the same through its duly authorized officers on the day, month and year first above written.

COUNTY OF LOS ANGELES

BY: _____
CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

CITY OF SAN FERNANDO

BY: _____

TITLE: _____

ATTEST: _____

CITY CLERK: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

BY: _____
Deputy

APPROVED AS TO PROGRAM:

CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

BY: _____
Director, CDBG

COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT WITH PARTICIPATING CITY
AMENDMENT NUMBER ___1____

CITY: MALIBU

CONTRACT NUMBER: 70737

THIS AMENDMENT NO. 1 TO CONTRACT 70737 is made this_____ day of _____, 2007, by and between the County of Los Angeles, hereinafter called the "County," and the City of Malibu, hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County and the Operating Agency previously entered into a Community Development Block Grant Program Reimbursable Contract 70737 with Participating City, dated July 1, 2006, and

WHEREAS, the County and the Operating Agency desire to amend said Contract in order to reflect an exchange of $155,925 in CDBG funds with the City of San Fernando for $90,436.50 in general tax revenue funds of the City of San Fernando so that the Operating Agency may gain additional funds for its general city operations and the City of San Fernando may better implement its CDBG-eligible projects;

WHEREAS, the Operating Agency will use $75,276 in previously allocated CDBG funds to make up the balance of the exchange amount;

WHEREAS, the Community Development Commission of the County of Los Angeles administers this Contract on behalf of the County.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that said Contract Number 70737 be amended as follows:

3. **COMPENSATION AND METHOD OF PAYMENT** has been amended to show a revised compensation amount of zero dollars (**$0**). This is a decrease of eighty thousand six hundred forty-nine dollars (**$80,649**) to the contract amount.

4. All other terms and conditions of said Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the Executive Director of the Community Development Commission, and the Participating City has subscribed the same through its duly authorized officers on the day, month and year first above written.

COUNTY OF LOS ANGELES

BY: _____
CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

CITY OF MALIBU

BY: _____

TITLE: _____

ATTEST: _____

CITY CLERK: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

BY: _____
Deputy

APPROVED AS TO PROGRAM:

CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

BY: _____
Director, CDBG