COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Gloria Molina
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Commissioners

Carlos Jackson
Executive Director

July 1, 2008

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE EXCHANGE OF CDBG FUNDS BETWEEN THE CITIES OF LA VERNE AND HAWAIIAN GARDENS (Districts 4,5) (3 Vote)

SUBJECT:

The City of Hawaiian Gardens has agreed to accept $150,000 in Community Development Block Grant (CDBG) funds from the City of La Verne in exchange for $90,000 in general tax revenues. This letter requests approval of the contract amendments necessary to implement this exchange.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of the exchange of CDBG funds between the Cities of La Verne and Hawaiian Gardens 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. 3 to CDBG Reimbursable Contract No. 70734 between the County of Los Angeles and the City of La Verne, presented in substantially final form, to remove $150,000 in Fiscal Year 2007-08 CDBG funds in exchange for $90,000 in general tax revenues from the City of Hawaiian Gardens, pursuant to an agreement between the two cities, thereby reducing the amount of CDBG funds allocated to the City of La Verne from $513,756 to $363,756.

3. Approve Amendment No. 3 to CDBG Reimbursable Contract No. 70727 between the County of Los Angeles and the City of Hawaiian Gardens, presented in substantially final form, to add $150,000 in

CDBG funds from the City of La Verne in exchange for $90,000 in general tax revenues, pursuant to agreements between the two cities, thereby increasing the amount of CDBG funds allocated to the City of Hawaiian Gardens from $2,130,056 to $2,280,056.

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 through June 30, 2009, following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The City of La Verne has executed an agreement with the City of Hawaiian Gardens 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 La Verne has agreed to transfer $150,000 in previously allocated CDBG funds to the City of Hawaiian Gardens in exchange for $90,000 in general tax revenues. The current contract amount for the Reimbursable Contract with City of La Verne is $513,756. The proposed amendment will reduce the contract amount to $363,756.

The City of Hawaiian Gardens has agreed to accept $150,000 in CDBG funds from the City of La Verne. The current contract amount for the Reimbursable Contract with the City of Hawaiian Gardens is $2,130,056. The proposed amendment will incorporate the new funds, thereby increasing the contract amount to $2,280,056.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

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

The contract amendments, attached hereto in substantially final form, will be used for the proposed transfer of funds. The amendments 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 amendments will enable the City of Hawaiian Gardens 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 La Verne to use general tax funds for city operations.

Respectfully submitted,

Bobbette A. Glover

for CARLOS JACKSON
Executive Director

Attachments: 2

COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT WITH PARTICIPATING CITY
AMENDMENT NUMBER ___3___

CITY: HAWAIIAN GARDENS

CONTRACT NUMBER: 70727

THIS AMENDMENT NO. 3 TO CONTRACT 70727 is made this_____ day of _____, 2008, by and between the County of Los Angeles, hereinafter called the "County," and the City of Hawaiian Gardens, 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, Contract Number 70727, dated July 1, 2006, and amended May 23, 2007;

WHEREAS, the County and the Operating Agency desire to amend said Contract in order to reflect an exchange of $150,000 in CDBG funds from the City of La Verne so that the Cities may gain additional funds for their 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 70727 be amended as follows:

1. **COMPENSATION AND METHOD OF PAYMENT** has been amended as follows: to show a revised compensation amount of two million one hundred thirty thousand fifthy-six dollars (**$2,130,056**). This is an increase of one hundred fifty thousand dollars (**$150,000**) 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 Operating Agency 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 HAWAIIAN GARDENS

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 ___3_____

CITY: LA VERNE

CONTRACT NUMBER: 70734

THIS AMENDMENT NO. 2 TO CONTRACT 70734 is made this_____ day of _____, 2008, by and between the County of Los Angeles, hereinafter called the "County," and the City of La Verne , 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, Contract Number 70734, dated July 1, 2006, and amended May 23, 2007;

WHEREAS, the County and the Operating Agency desire to amend said Contract in order to reflect an exchange of $150,000 in FY 2008-09 CDBG funds with the City of Hawaiian Gardens for $90,000 in general tax revenue funds of the City of Hawaiian Gardens so that the Operating Agency may gain additional funds for its general city operations and the City of Hawaiian Gardens 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 70734 be amended as follows:

1. **COMPENSATION AND METHOD OF PAYMENT** has been amended to show a revised compensation amount of three hundred sixty-three thousand seven hundred fifty-six dollars (**$363,756**). This is a decrease of one hundred fifty thousand dollars (**$150,000**) 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 Operating Agency 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 LA VERNE

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