COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Gloria Molina
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Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

November 5, 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 CERRITOS AND WEST HOLLYWOOD (DISTRICT 3,4) (3 VOTE)

SUBJECT:

The City of Cerritos has agreed to exchange $303,223 in Community Development Block Grant (CDBG) funds with the City of West Hollywood in exchange for $206,509.41 in general tax revenues. This action will approve the reimbursable contract amendment implementing this exchange.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of the exchange of CDBG funds between the Cities of Cerritos and West Hollywood 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. 4 to CDBG Reimbursable Contract No. 72219 between the County of Los Angeles and the City of Cerritos, presented in substantially final form, to remove $308,223 in Fiscal Year 2008-09 CDBG funds in exchange for $206,509.41 in general tax revenues from the City of West Hollywood, pursuant to an agreement between the two cities, thereby reducing the amount of CDBG funds allocated to the City of Cerritos from $342,470 to $34,247.

3. Approve Amendment No. 3 to CDBG Reimbursable Contract No. 70755 between the County of Los Angeles and the City of West Hollywood, presented in substantially final form, to add $308,223 in CDBG funds from the City of Cerritos in exchange for $206,509.41 in general tax revenues, pursuant to agreements between the two cities, thereby increasing the amount of CDBG funds allocated to the City of West Hollywood from $969,431 to $1,277,654.

4. Authorize the Acting 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 Cerritos has executed an agreement with the City of West Hollywood to grant CDBG funds in exchange for general tax revenue funds. The proposed amendments will effectuate the transfer of these funds.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The City of Cerritos has agreed to transfer $308,223 in Fiscal Year 2008-09 CDBG funds to the City of West Hollywood in exchange for $206,509.41 in general tax revenues. The current contract amount for the Reimbursable Contract with City of Cerritos is $342,470. The proposed amendment will reduce the contract amount to $34,247.

The City of West Hollywood has agreed to accept $308,223 in CDBG funds from the City of Cerritos. The current contract amount for the Reimbursable Contract with the City of West Hollywood is $969,431. The proposed amendment will incorporate the new funds, thereby increasing the contract amount to $1,277,654.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The City of West Hollywood will use the additional CDBG funds to implement CDBG-eligible projects for low- and moderate-income persons, while the City of Cerritos 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 West Hollywood 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 Cerritos to use general tax funds for city operations.

Respectfully submitted,

Babbette A. Glover

for WILLIAM K, HUANG
Acting Executive Director

Attachments: 2

COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT WITH PARTICIPATING CITY
AMENDMENT NUMBER ___4_____

CITY: CERRITOS

CONTRACT NUMBER: 72219

THIS AMENDMENT NO. 4 TO CONTRACT 72219 is made this_____ day of _____, 2008, by and between the County of Los Angeles, hereinafter called the "County," and the City of Cerritos , hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County and the Operating Agency previously entered into a Community Development Block Grant (CDBG) Program Reimbursable Contract, Contract Number 72219, dated July 1, 2006, and amended July 1, 2007, June 18, 2008, and October 1, 2008;

WHEREAS, the County and the Operating Agency desire to amend said Contract in order to reflect an exchange of $308,223 in Fiscal Year 2008-09 CDBG funds with the City of West Hollywood for $206,509.41 in general funds so that the Operating Agency may gain additional funds for its general city operations and the City of West Hollywood 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 72219 be amended as follows:

1. **COMPENSATION AND METHOD OF PAYMENT** has been amended to show a revised compensation amount of thirty-four thousand two hundred forty-seven dollars (**$34,247**). This is a decrease of three hundred eight thousand two hundred twenty-three dollars (**$308,223**) 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 Acting 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: _____
WILLIAM K. HUANG
Acting Executive Director
Community Development Commission
of the County of Los Angeles

CITY OF CERRITOS

BY: _____

TITLE: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

BY: _____
Deputy

APPROVED AS TO PROGRAM:

WILLIAM K. HUANG
Acting 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: WEST HOLLYWOOD

CONTRACT NUMBER: 70755

THIS AMENDMENT NO. 3 TO CONTRACT 70755 is made this_____ day of _____, 2008, by and between the County of Los Angeles, hereinafter called the "County," and the City of West Hollywood, hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County and the Operating Agency previously entered into a Community Development Block Grant (CDBG) Program Reimbursable Contract, Contract Number 70755, dated July 1, 2006, and amended August 9, 2007;

WHEREAS, the County and the Operating Agency desire to amend said Contract in order to reflect an exchange of $308,223 in Fiscal Year 2008-09 CDBG funds from the City of Cerritos for $206,509.41 in general funds from the Operating Agency so that the City of Cerritos may gain additional funds for their general city operations and the Operating Agency may better implement its CDBG-eligible projects; and

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 70755 be amended as follows:

1. **COMPENSATION AND METHOD OF PAYMENT** has been amended as follows: to show a revised compensation amount of one million two hundred seventy-seven thousand six hundred fifty-four dollars (**$1,277,654**). This is an increase of three hundred eight thousand two hundred twenty-three dollars (**$308,223**) to the contract amount. The additional funds do not include any program administration or public service authority.

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 Acting 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: _____
WILLIAM K. HUANG
Acting Executive Director
Community Development Commission
of the County of Los Angeles

CITY OF WEST HOLLYWOOD

BY: _____

TITLE: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

BY: _____
Deputy

APPROVED AS TO PROGRAM:

WILLIAM K. HUANG
Acting Executive Director
Community Development Commission
of the County of Los Angeles

BY: _____
Director, CDBG