CITY OF LOS ANGELES
CALIFORNIA

KAREN E. KALFAYAN
Interim City Clerk

HOLLY WOLCOTT
Executive Officer

ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
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KONRAD CARTER
Acting Chief, Council and Public Services Division

www.cityclerk.lacity.org

January 15, 2009

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file No. 07-1894, at its meeting held January 6, 2009.

Karen E. Kalfayan

City Clerk
SOS

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED
2009 JAN -8 PM 1:23
CITY OF LOS ANGELES

City Clerk's Time Stamp
RECEIVED
CITY CLERK'S OFFICE
2009 JAN -8 PM 1:14
CITY CLERK
BY _____ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 07-1894 COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE JANUARY 6, 2009

RE: A PROPOSED INITIATIVE ENTITLED "OWN A PIECE OF LOS ANGELES"

RECEIVED
CITY CLERK'S OFFICE
2009 JAN 13 PM 4:31
CITY CLERK
BY _____ DEPUTY

LAST DAY FOR MAYOR TO ACT JAN 20 2009
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED ✓

*DISAPPROVED _____

*Transmit objections in writing pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL JAN 13 2009

MAYOR

Steno/071894.ml

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File No. 07-1894

TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE

reports as follows:

CATEGORICAL EXEMPTION and INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE REPORT relative to a proposed initiative entitled "Own a Piece of Los Angeles."

Recommendations for Council action, as initiated by Motion (Greuel - Cárdenas), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the CEQA categorical exemption in State CEQA Guidelines section 15312 and City CEQA Guidelines, Article III, section 1(1) "Surplus Governmental Property Sales" for the sale of the parcels shown on Exhibit A of the September 29, 2008 GSD report, as attached to the Council file.

2. REQUEST the City Attorney to prepare and present an Ordinance amending certain sections in the Los Angeles Administrative Code (LAAC) and/or adding a new section to implement the "Own a Piece of LA" Initiative consistent with the September 29, 2008 Department of General Services (GSD) report, as attached to the Council file.

3. AUTHORIZE the General Manager of the GSD to review as to propriety and approve the direct sale of parcels listed in Exhibit A of the September 29, 2008 GSD report, as attached to the Council file, and any newly acquired future parcels meeting the description and definition of sliver/remnant parcels in the "Own a Piece of LA" Initiative for direct sale to adjoining owners.

4. DIRECT the Bureau of Engineering (BOE) and City Planning Department to process and review parcels under this program expeditiously in accordance with the LAAC.

5. DIRECT the Controller's office to deposit the net proceeds of sales under this initiative to the General Fund unless otherwise restricted.

Fiscal Impact Statement: The GSD reports that the initial sale of properties under this proposed process will generate one-time potential revenue to the General Fund of an estimated $600,000 for Fiscal Year (FY) 2008-09. This projected revenue figure presupposes that the adjoining owners will purchase the sliver and/or remnant parcels at Asset Management Division's estimated sale price but does not take into account the need, if any, to reimburse any special funding source used to acquire these properties. Regardless of the final revenue amount that accrues to the General Fund, elimination of remnant properties from GSD portfolios is fiscally prudent. GSD will realize potential savings by eliminating on-going maintenance and administrative expenses as well as the general liability exposure associated with property ownership.

(ALSO REFERRED TO THE BUDGET AND FINANCE COMMITTEE)

SUMMARY

On February 5, 2008, the Chair of the Information Technology and General Services Committee considered a Motion (Greuel - Cárdenas) relative to the GSD's proposed program entitled "Own a Piece of Los Angeles" that would allow adjoining homeowners in certain areas of the City the opportunity to purchase city-owned vacant remnant parcels at fair market value. According to the Motion, the City owns 2,190 parcels of land, and approximately 225 of those parcels are undevelopable slivers of land and/or remnants, which can be sold or otherwise transferred to willing buyers, including the adjacent property owners. Because these properties are not being used for City purposes due to their small size, it is possible that they can help generate much needed revenue for the City. After consideration and having provided an opportunity for public comment, the Committee Chair moved to continue this matter.

Subsequently, on November 18, 2008, the Committee considered a September 29, 2008 GSD report in response to the above Motion (Greuel-Cárdenas) relative to the proposed "Own a Piece of Los Angeles" Initiative. According to the GSD, in a 2003 Controller audit and subsequent audits of the GSD's Asset Management Division (AMD), one of the recommendations was for AMD to divest all of its surplus property portfolio, including vacant and improved properties, whether developable or not. The AMD sells its real estate as Council approval is obtained for individual sales, after determining that such property is surplus.

In response to the Controller's audits, the GSD initiated discussions with the City Attorney, City Administrative Officer (CAO) and the Mayor to develop a program called "Own a Piece of LA." To implement this program and/or Initiative within the current fiscal year, an ordinance streamlining the surplus sales process is required for these remnant properties. With input from the City Attorney, the GSD is proposing that the City Attorney draft an ordinance to amend the LAAC to authorize the GSD to process the sale of these properties to adjoining property owners, in lieu of the current process which requires an authorizing ordinance for each sale.

Adoption of the proposed ordinance would add a code section to define "sliver" and/or "remnant" parcels and to establish a procedure for direct sale to adjoining owners. The GSD General Manager would be granted the authority to review and approve a proposed sale for consistency with the ordinance, and to immediately open escrow after the sale is approved. Any parcels not sold under this new process will remain in GSD's real estate portfolio. Parcels not sold under the "Own a Piece of LA" Initiative will continue to be processed through the surplus property process in accordance with the City Charter, which directs that the properties must first be offered to various public agencies for park and recreation purposes, open space, or for affordable housing purposes.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the September 29, 2008 GSD report and detailed in the above recommendations.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE

Tony Cardenas

Bernard C. Parks

Rept

ADOPTED

JAN 0 6 2009

LOS ANGELES CITY COUNCIL

CEQA Exempt Approved

MEMBER	VOTE
CÁRDENAS:	YES
PARKS:	YES
WESSON:	ABSENT

ARL
#071894

-NOT OFFICIAL UNTIL COUNCIL ACTS-

MAYOR WITH FILE

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TO THE COUNCIL OF THE CITY OF LOS ANGELES

File No. 07-1894

Your BUDGET AND FINANCE Committee

reports as follows:

CATEGORICAL EXEMPTION and BUDGET AND FINANCE COMMITTEE REPORT relative to a proposed initiative entitled "Own a Piece of Los Angeles."

Recommendations for Council action, as initiated by Motion (Greuel - Cardenas), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the recommendation of the Information Technology and General Services Committee to approve the recommendations contained in the Department of General Services (GSD) report dated September 29, 2008, relative to the "Own a Piece of LA" initiative.

2. INSTRUCT the GSD to report back to the Council in six months relative to the property sales and revenue generated from the "Own a Piece of LA" initiative.

Fiscal Impact Statement: The GSD reports that the initial sale of properties under this proposed process will generate one-time potential revenue to the General Fund of an estimated $600,000 for Fiscal Year 2008-09. This projected revenue figure presupposes that the adjoining owners will purchase the sliver and/or remnant parcels at Asset Management Division's estimated sale price but does not take into account the need, if any, to reimburse any special funding source used to acquire these properties. Regardless of the final revenue amount that accrues to the General Fund, elimination of remnant properties from GSD portfolios is fiscally prudent. GSD will realize potential savings by eliminating on-going maintenance and administrative expenses as well as the general liability exposure associated with property ownership.

SUMMARY

At its meeting of December 15, 2008, the Budget and Finance Committee considered Motion (Greuel-Cardenas) and a GSD report relative to a proposed initiative entitled "Own a Piece of Los Angeles." Motion (Greuel-Cardenas) directed GSD to identify undevelopable slivers of City owned land and/or remnants and a timeline for sale of those properties, preferably to adjacent property owners, as well as a proposed policy for the sale of these undevelopable slivers and remnants of City property. The class "C" estimate for approximately 217 remnant parcels is $1.288 million.

GSD reports that in a 2003 Controller audit and subsequent audits of the Department's Asset Management Division (AMD), one of the recommendations was for AMD to divest all of its surplus property portfolio, including vacant and improved properties, whether developable or not. AMD sells its real estate as Council approval is obtained for individual sales, after determining that such property is surplus. In response to the Controller's audits, GSD initiated discussions with the offices of the City Attorney, City Administrative Officer and the Mayor to develop a program called "Own a Piece of LA." To implement this program and/or initiative within the current fiscal year, an ordinance streamlining the surplus sales process is required for these remnant properties. With input from the City Attorney's Office, GSD is proposing that the City Attorney draft an ordinance to amend the Los

Angeles Administrative Code to authorize GSD to process the sale of these properties to adjoining property owners, in lieu of the current process which requires an authorizing ordinance for each sale. Adoption of the proposed ordinance would add a code section to define "sliver" and/or "remnant" parcels and to establish a procedure for direct sale to adjoining owners. The GSD General Manager would be granted the authority to review and approve a proposed sale for consistency with the ordinance, and to immediately open escrow after the sale is approved. Any parcels not sold under this new process will remain in GSD's real estate portfolio. Parcels not sold under the "Own a Piece of LA" initiative will continue to be processed through the surplus property process in accordance with the City Charter, which directs that the properties must first be offered to various public agencies for park and recreation purposes, open space, or for affordable housing purposes.

The Budget and Finance Committee concurred with the recommendation of the Information Technology and General Services Committee to approve the GSD recommendations relative to the "Own a Piece of LA" initiative. The Committee additionally instructed the GSD to report back to the Council in six months relative to the properties sold and revenue generated under the initiative. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

MEMBER	VOTE
PARKS:	YES
GREUEL:	ABSENT
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	ABSENT

LB
07-1894_rpt_bfc_12-30-08

ADOPTED
MOTION ADOPTED TO APPROVE COMMITTEE REPORT RECOMMENDATION
JAN 06 2009

LOS ANGELES CITY COUNCIL

CAT Exempt Approved

-NOT OFFICIAL UNTIL COUNCIL ACTS-

MAYOR WITH FILE