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):

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

MEMBER	VOTE
CÁRDENAS:	YES
PARKS:	YES
WESSON:	ABSENT

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