

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: September 2, 2010

TO: Honorable Members of the Housing, Community
and Economic Development Committee

FROM: Gerry F. Miller *GF*
Chief Legislative Analyst *GF*

Assignment No.: 10-07-0717
Council File No.: 10-1273

CRA - Sidewalk and Landscaping Improvements in the Bunker Hill Redevelopment Project Area

SUMMARY

The Community Redevelopment Agency (Agency) requests authority to transfer up to \$822,235 in Bunker Hill Tax Increment funds to the City's Department of General Services (GSD) for sidewalk construction and landscaping improvements in the Bunker Hill Redevelopment Project Area (Project Area). Funding for the installation of the improvements will be provided through a Cooperation Agreement between the Agency and GSD which authorizes GSD to receive payment directly from the Agency. The Agency also requests that the Council adopt a Joint Resolution (Attachment A) pursuant to Section 33445 of the Health and Safety Code finding that: 1) the installation of the Bunker Hill sidewalk and landscaping improvements are of benefit to the Project Area by eliminating blight; 2) the proposed expenditure is the only reasonably available means of financing the public improvements for Bunker Hill; and, 3) the construction of public improvements is consistent with the Five-Year Implementation Plan adopted by the Agency Board of Commissioners for the Project Area. The Agency states that the source of funds are Bunker Hill Tax Increment Funds identified in the FY11 Budget and Work Program for the Project Area. Approval of the Agency's request will commit \$822,235 (22 percent) of the total FY11 Budget for Public Improvements (\$3,764,300) in the Project Area. Therefore, there is no impact to the City's General Fund.

According to the Agency, Bunker Hill is one of the City's most pedestrian-oriented neighborhoods. Over 27 percent of working residents in Bunker Hill commute to work by walking or biking, compared to 5 percent citywide. However, many of the sidewalks in Bunker Hill have been substantially damaged by the roots of existing ficus trees, which are planted as street trees throughout the Project Area. The proposed public improvements include demolition and replacement of the existing damaged sidewalk and curbs, and replacement of overgrown ficus trees on Grand Avenue as well as Olive, First, Fourth, and Figueroa Streets. The improvements will help remove existing blight and safety hazards, enhance Bunker Hill's appearance, and improve the pedestrian connections for Bunker Hill's residents and workers.

The Agency reports that the Project is consistent with, and furthers the goals of the Bunker Hill Redevelopment Plan. The Office of Council District 9 has expressed support for this Project.

RECOMMENDATIONS

That the City Council:

1. Authorize the Community Redevelopment Agency's (Agency) Chief Executive Officer, or designee, to transfer Bunker Hill Tax Increment Funds in an amount not to exceed \$822,235 to the City's Department of General Services (GSD), through an existing cooperation agreement between the Agency and GSD, for sidewalk construction and landscaping improvements in the Bunker Hill Redevelopment Project Area (Project Area); and
2. Adopt a Joint Resolution (Attachment A) pursuant to Section 33445 of the Health and Safety Code finding that: 1) the installation of the Bunker Hill sidewalk and landscaping improvements are of benefit to the Project Area by eliminating blight; 2) the proposed expenditure is the only reasonably available means of financing the public improvements for Bunker Hill; and, 3) the construction of public improvements is consistent with the Five-Year Implementation Plan adopted by the Agency Board of Commissioners for the Project Area.

ENVIRONMENTAL REVIEW

The proposed construction of the Project is categorically exempt from the California Environmental Quality Act.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund as a result of this action as the source of funds are Bunker Hill Tax Increment Funds.



Mark J. Torres
Analyst

GFM:KEK:IS:MT

Attachments: A. Joint Resolution of Benefit
B. Project Location Map

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Attachment A

RESOLUTION NO. _____

A JOINT RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES AND THE LOS ANGELES CITY COUNCIL MAKING FINDINGS AS REQUIRED BY SECTION 33445 OF THE CALIFORNIA HEALTH AND SAFETY CODE AUTHORIZING THE USE OF TAX INCREMENT FUNDS TO PAY FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS IN THE BUNKER HILL REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Plan for the Bunker Hill Redevelopment Project Area (Project Area) was adopted by the Los Angeles City Council on March 31, 1959, by Ordinance No. 113,231 for the purpose of eliminating blight in the Project Area; and

WHEREAS, the Redevelopment Plan provides that among its objectives are the following: “removal of unsightly conditions having a depressing effect on property values in the heart of the City,” “provision of facilities in large demand for modern, convenient, and efficient living accommodations for downtown employees,” “correction of street inadequacies,” and “provision of commercial facilities of a high-type of institutional, professional and business use”; and

WHEREAS, Section 1.n.1 of the Redevelopment Plan authorizes the Agency to design and construct public works including public right of way improvements in order to implement and facilitate the effectuation of the Redevelopment Plan; and

WHEREAS, pursuant to California Health and Safety Code Section 33490, the CRA/LA Board of Commissioners adopted a Five Year Implementation Plan for the Project Area on December 17, 2009 (Implementation Plan); and

WHEREAS, Section III.E.5 of the Implementation Plan provides that the CRA/LA will install Project-Wide Public Improvements, specifically including repair of sidewalks, curbs, gutters, and tree wells; and

WHEREAS, CRA/LA wishes to improve the Project Area by paying for the installation of sidewalk, alley, and landscaping improvements, which will be publicly owned at several locations within the Project Area, including Grand Avenue, Olive, First, Fourth and Figueroa Streets (the Public Improvements); and

WHEREAS, the construction of the Public Improvements will help to eliminate conditions of blight in the Project Area by replacing deteriorated public infrastructure and enhancing the viability of the residential and commercial uses in the Project Area; and

WHEREAS, the total cost for construction of the Public Improvements will be \$708,785; and

WHEREAS, the City of Los Angeles is unable to finance the cost of the Public Improvements because the City faces an approximate \$529 million General Fund deficit for the 2009-10 fiscal year and the City Council has determined that a fiscal emergency exists in the City of Los Angeles; and

WHEREAS, CRA/LA staff have used reasonable efforts to identify other means to finance the Public Improvements but have not been able to identify other public or private funding sources available to pay for the Public Improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency, with the consent of the legislative body, to pay all or a part of the cost of the installation and construction of any building, facility, structure, or other improvements that are publicly owned and are located inside or contiguous to the project area, if the legislative body determines all of the following: 1) that the improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area; 2) that no other reasonable means of financing the publicly owned improvements are available to the community; and 3) that the payment of funds for the publicly owned improvements is consistent with the Implementation Plan adopted pursuant to Section 33490; and

WHEREAS, the CRA/LA Board of Commissioners and the City Council of the City of Los Angeles have reviewed and considered the facts, information and testimony presented to them with respect to the Public Improvements, including but not limited to the Board Memorandum dated July 15, 2010, which is incorporated herein by this reference, and do hereby base their consent and findings upon these facts.

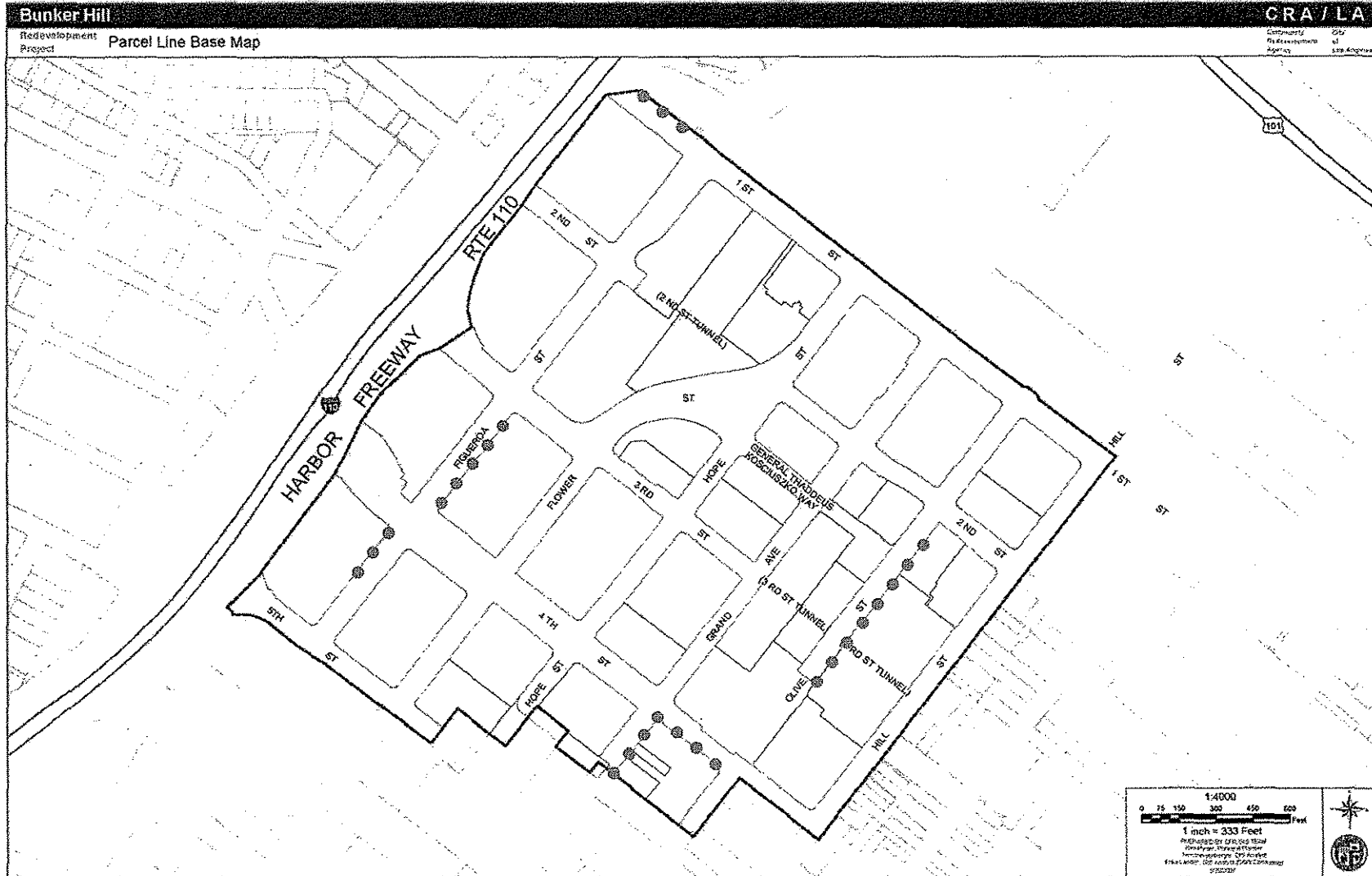
NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES AND THE CITY COUNCIL OF THE CITY OF LOS ANGELES DO HEREBY FIND AND RESOLVE AS FOLLOWS:

1. The installation of the Bunker Hill Sidewalk and Landscaping Improvements are of benefit to the Bunker Hill Redevelopment Project Area by helping to eliminate blight within the Project Area.
2. No other reasonable means of financing the acquisition of the land or installation or construction of the Public Improvements are available to the community.
3. The payment of funds for the acquisition of land or the cost of the Public Improvements is consistent with the Bunker Hill Implementation Plan.

ADOPTED BY THE CRA/LA: _____

ADOPTED BY THE CITY COUNCIL: _____

Attachment B



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Location of Proposed Improvements