



DATE / JUL 15 2010

FILE CODE /

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CRA File No. 9228
Council District: 9
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Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: Sharon Gin, Office of the City Clerk

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on July 15, 2010 City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

TRANSFER OF FUNDS TO THE CITY OF LOS ANGELES GENERAL SERVICES DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$822,235 FOR THE CONSTRUCTION OF SIDEWALK AND LANDSCAPING IMPROVEMENTS THROUGHOUT THE BUNKER HILL REDEVELOPMENT PROJECT AREA DOWNTOWN REGION (CD 9)

RECOMMENDATION

That City Council approves recommendations on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The proposed construction of the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15301(c) and 15304(b) of the CRA/LA CEQA Guidelines.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.

Christine Essel, Chief Executive Officer

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Council Transmittal

cc: Sharon Gin, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO
Ivania Sobalvarro, Office of the CLA
Steve Ongele, Office of the Mayor
Noreen Vincent, City Attorney's Office
Jan Perry, CD9

MEMORANDUM

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DATE: JULY 15, 2010 BH3300

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: DAVID RICCIHELLO, REGIONAL ADMINISTRATOR
LEN BETZ, PROJECT MANAGER
JOSH ROHMER, ASSISTANT PROJECT MANAGER

SUBJECT: TRANSFER OF FUNDS TO THE CITY OF LOS ANGELES GENERAL SERVICES DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$822,235 FOR THE CONSTRUCTION OF SIDEWALK AND LANDSCAPING IMPROVEMENTS THROUGHOUT THE BUNKER HILL REDEVELOPMENT PROJECT AREA

DOWNTOWN REGION (CD 9)

RECOMMENDATIONS

That the CRA/LA Board of Commissioners, subject to City Council approval:

1. Adopt and request the City Council to adopt a Resolution under the California Health and Safety Code Section 33445 finding: (i) the use of CRA/LA Bunker Hill Tax Increment funds not to exceed \$822,235 to pay for the construction of public improvements to City-owned sidewalks in the Bunker Hill Project Area will benefit the Project Area by eliminating blight within the Project Area; (ii) the proposed expenditure is the only reasonably available means of financing these services for Bunker Hill; and (iii) the construction of public improvements is consistent with the Five-Year Implementation Plan adopted by the CRA/LA Board of Commissioners ("Board") for the Project Area; and
2. Authorize the transfer of Bunker Hill tax increment funds in an amount up to \$822,235 to the City of Los Angeles General Services Department, through an existing cooperation agreement between CRA/LA and the Department of General Services (Contract No. 503391), to construct sidewalk and landscaping improvements in the Bunker Hill Redevelopment Project Area.

SUMMARY

The proposed resolution makes findings required to fund the installation of sidewalk and landscaping improvements in the Bunker Hill project area (the "Project").

Many of the sidewalks in the Bunker Hill project area have been substantially damaged by the roots of existing ficus trees, which are planted as street trees in tree wells 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 Olive, First, and Figueroa Streets, and elsewhere in the project area per the attached Project Location map (Attachment "A"). Tree wells will be replanted with street trees of a more appropriate species as directed by the City's Urban Forestry Division. The proposed improvements will remove existing blight and safety hazards, enhance Bunker Hill's appearance, and improve the pedestrian connections for Bunker Hill's residents and workers.

Funding for installation of the improvements will be provided through a Cooperation Agreement between the CRA/LA and GSD, Contract No. 503391, dated September 2, 2009, which authorizes General Services to receive payment directly from the CRA/LA.

RE

Initial action.

SOURCE OF FUNDS

Bunker Hill Tax Increment Funds.

PROGRAM AND BUDGET IMPACT

The proposed action is consisted with the FY11 Budget and Work Program relating to the Bunker Hill Project Area. The approved FY11 budget for the Bunker Hill Project area includes \$3,764,300 for Public Improvements. With the approval of this item, \$822,235 (or 22%) will be committed. Sufficient funds exist to make any legally-required State ERAF payments in FY11. There is no impact on the City's General Fund.

ENVIRONMENTAL REVIEW

The proposed construction of the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15301(c) and 15304(b) of the CRA/LA CEQA Guidelines.

BACKGROUND

In the decades since the CRA/LA's adoption of the Bunker Hill Urban Renewal Project in 1959 and the Bunker Hill Redevelopment Project Area in 1968, the neighborhood has developed into one of the City's most dense, with an estimated 25,000 jobs and 4,000 residents within the Project Area's 133 acres, per the 2000 US Census. Bunker Hill is also one of the city's most pedestrian-oriented neighborhoods, ranking as the #2 most walkable neighborhood in Los Angeles on WalkScore.com. Over 27% of working residents in Bunker Hill commute to work by walking or biking, compared to 5% citywide rate. Bunker Hill residents skew old, largely due to Angelus Plaza, the nation's largest affordable and senior housing complex, housing over 1,300 seniors with an average age of 82 years. Given the mobility constraints for this older population, the condition of Bunker Hill's pedestrian environment is essential to how well it

functions as a neighborhood. Similarly, the pedestrian environment is also important to the thousands of workers in Bunker Hill's high rise office towers, many of whom combine public transit and walking for their daily commute.

The proposed sidewalk and landscaping improvements will enhance this pedestrian environment by repairing existing sidewalk damage and replacing ficus trees with a species that is more appropriate for a sidewalk context.

Project Area Objectives

The proposed project conforms to the following Project Area Objectives established in the adopted Implementation Plan 2010-2012:

Goal 1 – Project wide public improvements

Goal 3 – Implementation of Design for Development Guidelines

Strategic Plan Goals

Completion of the identified public improvements helps achieve the following CRA/LA Strategic Plan Goal:

1.4.1 – Invest \$15 million per year to upgrade strategic infrastructure that will spur economic growth.

2.2.4 – Adopt 14 streetscape plans that improve walkability and the pedestrian environment.

Section 33445 Findings

California Health and Safety Code Section 33445 permits a redevelopment agency to use redevelopment funds to pay for publicly-owned improvements if three findings can be made, which are summarized here and set forth in the proposed Joint Resolution attached hereto as Attachment "B."

Finding 1: **33445(a)(1)** *The improvements must benefit the funding Project Area by eliminating blight.* The proposed improvements are located within the Bunker Hill Redevelopment Project Area. The proposed improvements, including replacement of damaged sidewalks and curbs and replanting of trees will help promote a positive public image and encourage pedestrian traffic that will support other investments in removing and preventing the recurrence of blight.

Finding 2: **33445(a)** *The proposed expenditure must be the only reasonably available means of financing the public improvements.* The City of Los Angeles's current fiscal shortfall does not allow for the identification of and expenditure of funds for the proposed improvements to Bunker's sidewalks, as they have not been previously scheduled.

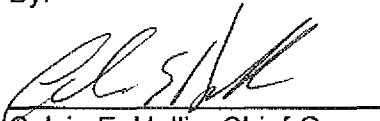
BUNKER HILL SIDEWALK AND LANDSCAPING IMPROVEMENTS

Finding 3: **33445(a)(3)** *The improvement must assist in the elimination of one or more blighting conditions within the Project Area, and be consistent with the Five-year Implementation Plan.* The CRA/LA's Report to Council prior to the 1959 adoption of the Bunker Hill Redevelopment Plan identifies a number of blighting conditions, including but not limited to inadequate streets and infrastructure that depress property values. The proposed project will improve the deteriorated conditions of the public right of way, and enhance pedestrian movement throughout the project area and its connections to nearby uses and amenities, thus supporting the economic viability of the project area. The proposed improvements are also consistent with the Bunker Hill Redevelopment Project Area Five-year Implementation Plan for FY2010-2013, where the goals and objectives include Project-Wide Public Improvements, specifically including repair of sidewalks, curbs, gutters, and tree wells (Section II.E.5).

This Project is consistent with, and furthers the goals of the Bunker Hill Redevelopment Plan. Councilmember Jan Perry has expressed support for this action.

Christine Essel
Chief Executive Officer

By:

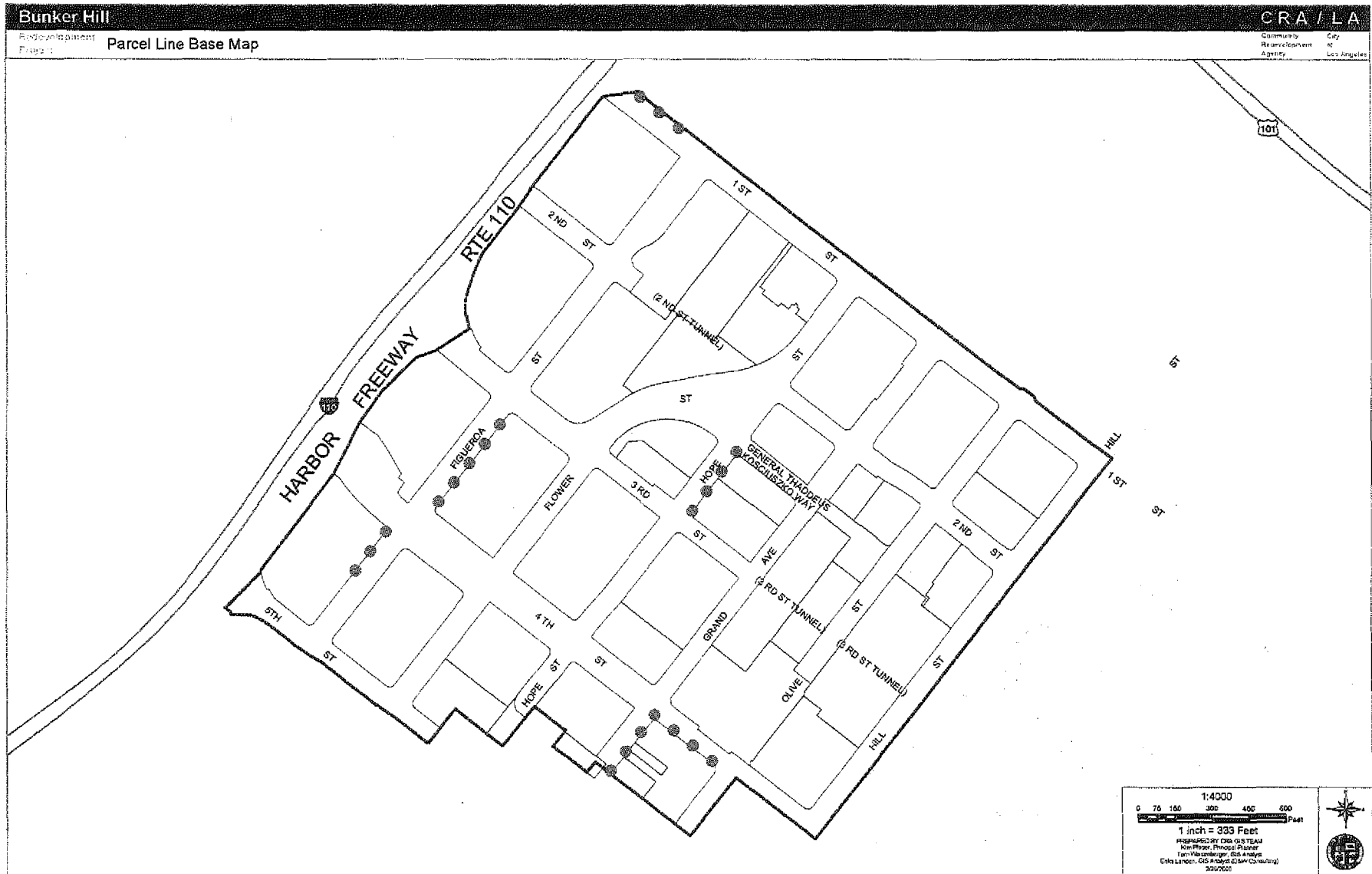


Calvin E. Hollis, Chief Operating Officer
Real Estate and Economic Development

There is no conflict of interest known to me, which exists with regard to any CRA/LA officer or employee concerning this action.

Attachment A: Site Map
Attachment B: Resolution

ATTACHMENT A: Project Location



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Location of Proposed Improvements

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 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 Olive, First, 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 2009-2010 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 those 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: _____