

CITY OF LOS ANGELES
CALIFORNIA

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November 30, 2011

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 11-0363,
at its meeting held November 29, 2011.

City Clerk
vm

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 11-0363

FROM: COUNCILMEMBER ED P. REYES, VICE CHAIR
COUNCILMEMBER RICHARD ALARCÓN, MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

CATEGORICAL EXEMPTION, COMMUNICATION FROM VICE CHAIR AND MEMBER, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE and JOINT RESOLUTION relative to expenditure of \$14,677,920 for public improvements, and authority to execute a contract amendment with S L Enterprises to extend the term of the contract by four years and increase compensation to an amount not to exceed \$200,000, in the Crenshaw Amended Redevelopment Project Area and the Mid-City Recovery Redevelopment Project Area.

Recommendations for Council action:

1. FIND that the proposed Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Sections 15301 (c) and (h) and 15304 (a) and (b) of the State and Community Redevelopment Agency of Los Angeles (CRA/LA) CEQA guidelines.
2. ACKNOWLEDGE and UNDERSTAND that the California Supreme Court (Court) in the case entitled California Redevelopment Association v. Matosantos, stayed certain portions of AB x1-26 and AB x1-27 but allowed other provisions to be implemented, such as the prohibition on new contracts and amendments to existing contracts. Specifically, the CRA/LA may not, with the exception of existing enforceable obligations, take any action to incur new debt, transfer any assets, or undertake any new obligations, unless and until the CRA/LA is legally authorized to act as determined by the Court. In light of these circumstances, the City Council may approve certain specified actions as described in this report on the condition that the CRA/LA will not execute agreements or take any actions thereto until the Court has decided the case on the merits or otherwise restored the contracting authority of redevelopment agencies. The Court ruling on the legal challenge to the legislation is anticipated by January 15, 2012.
3. RECOGNIZE that action of the Council as detailed in Recommendations Nos. 2-5 herein is subject to the conditions of the Court's stay and the provisions of AB x1-26 that are not subject to the stay.
4. AUTHORIZE the CRA/LA to recognize \$14,677,920 of State Department of Housing and Community Development (HCD) Proposition 1C Infill and Infrastructure Grant funds and place said funds into the following budget line items which will allow expedited expenditure of these funds for public improvements and housing improvements as and when appropriate:

<u>Budget Line Item</u>	<u>Amount</u>
Crenshaw Economic Development Opportunities (CR6990)	\$4,126,511
Mid-City Economic Development Opportunities (MD2700)	\$9,051,409
Mid-City Affordable Housing (MD1550)	<u>\$1,500,000</u>
Total	\$14,677,920

5. ADOPT the accompanying JOINT RESOLUTION making findings in accordance with California Health and Safety Code Section 33445 that funding these public improvements is of benefit to the Crenshaw Amended Redevelopment Project Area and the Mid-City Recovery Redevelopment Project Area.

6. AUTHORIZE the Chief Executive Officer, CRA/LA, or designee, to amend purchase order No. 09-0626 with S L Franklin Enterprises, Inc. (dba Urban Design Center) to revise the scope of work to manage the \$14,677,920 Proposition 1C grant contract coordination/compliance work so as to ensure CRA/LA reimbursement and to increase compensation by \$145,000, from \$75,000, for a total purchase order amount not to exceed \$220,000 for a new term ending January 28, 2014, subject to the review of the City Attorney as to form and the Department of Public Works, Bureau of Contract Administration as to compliance with any applicable CRA/LA contracting requirements.
7. APPROVE the CRA/LA's implementation of the Crenshaw/Mid City Corridors Infill and Infrastructure Project under the Cooperation Agreement for Payment of Costs Associated with Certain Agency Funded Capital Improvements, Public Improvements, and Housing Projects, dated March 10, 2011 between CRA/LA and the City of Los Angeles.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact on the General Fund. Approval of the recommendations will result in the expenditure of \$14,677,920 in Proposition IC II funds from the State HCD. The City's Financial Policies are not applicable to the CRA/LA. The CRA/LA is bound only by the disclosure provisions of the City's Debt Management Policies. The recommendations are in compliance with the CRA/LA's Financial Policies in that the recommended actions are consistent with the Budget and Work Program for the Project Areas.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 16, 2011, the Housing, Community and Economic Development Committee considered a transmittal from the CRA/LA dated October 6, 2011 and a report from the CAO dated November 15, 2011 relative to expenditure of \$14,677,920 for public improvements, and authority to execute a contract amendment with S L Enterprises to extend the term of the contract by four years and increase compensation to an amount not to exceed \$200,000, in the Crenshaw Amended Redevelopment Project Area and the Mid-City Recovery Redevelopment Project Area.

After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations contained in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,



ED P. REYES, VICE CHAIR
 RICHARD ALARCÓN, MEMBER
 HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

ADOPTED

NOV 29 2011

LOS ANGELES CITY COUNCIL

MEMBER	VOTE
CARDENAS:	ABSENT
REYES:	YES
ALARCON:	YES
PERRY:	ABSENT
WESSON:	ABSENT

REW
 11/22/11
 CD 8, 10
 11-0363_rpt_hced_11-16-11

Not Official Until Council Acts

Resolution No. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA PURSUANT TO SECTION 33445 OF THE CALIFORNIA REDEVELOPMENT LAW REGARDING FUNDING OF PUBLIC IMPROVEMENTS FOR THE CRENSHAW/MID-CITY CORRIDORS INFILL AND INFRASTRUCTURE PROJECT IN THE CRENSHAW AMENDED REDEVELOPMENT PROJECT AREA AND THE MID CITY RECOVERY REDEVELOPMENT PROJECT AREA

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California ("CRA/LA") is engaged in redevelopment and revitalization of the areas of Crenshaw and Mid City pursuant to the adopted Redevelopment Plans for the Crenshaw Amended Project Area and the Mid City Recovery Redevelopment Project Area (the "Project Areas"); and

WHEREAS, the City of Los Angeles ("City") is the legislative body for the communities in which these Project Areas are located; and

WHEREAS, the City adopted the Crenshaw Amended Redevelopment Project Area Redevelopment Plan on May 9, 1984 by Ordinance No. 158933 which was subsequently amended on December 6, 1994 by Ordinance No. 170169, and again by Ordinance No. 175613 on October 31, 2003 (referred to collectively as the "Crenshaw Amended Redevelopment Plan"); and

WHEREAS, the goals of the Crenshaw Amended Redevelopment Plan (the "CR Redevelopment Plan") promote the improvement of public parking, other public facilities, services, utility lines, lighting, public safety, pedestrian ways and public transportation; and

WHEREAS, pursuant to California Health and Safety Code Section 33490, the CRA/LA Board of Commissioners adopted an Implementation Plan on March 4, 2010 for the Crenshaw Amended Project Area; and

WHEREAS, the City adopted the Mid City Recovery Redevelopment Project Area Redevelopment Plan on May 10, 1996 by Ordinance No. 171064 which was subsequently amended on October 31, 2003 (referred to collectively as the "Mid City Recovery Redevelopment Plan"); and

WHEREAS, the goals of the Mid City Recovery Redevelopment Plan (the "MD Redevelopment Plan") promote the development of sound residential neighborhoods (with careful attention given to the problems of increased land use densities) through mechanisms such as: land use, density, design and property management standards; public improvements, property rehabilitation sensitive in-fill housing; traffic and circulation programming; and development of open spaces and other services necessary to enable residents to live and work in the Project Area; and

WHEREAS, pursuant to California Health and Safety Code Section 33490, the CRA/LA Board of Commissioners adopted an Implementation Plan on May 20, 2010 for the Mid City Recovery Project Area; and

WHEREAS, these Implementation Plans provide that CRA/LA will implement Economic Development activities including Community Facilities and Public Improvements to meet the goals and objectives of the Redevelopment Plan; and

WHEREAS, the sidewalk reconstruction and repair, curb and gutter repair, intersection safety upgrades, ADA compliance, safety and pedestrian lighting, transit amenities, wayfinding, gateway installations and the financing for parking to develop affordable housing will address a number of blighting conditions identified in the CR Redevelopment Plan and MD Redevelopment Plan and their respective five-year implementation plans; and

WHEREAS, the cost of the public improvements will be \$14,677,920 of State Department of Housing and Community Development (HCD) Proposition 1C In-fill and Infrastructure Grant funds; and

WHEREAS, Sections 33445 of the California Health and Safety Code require the City and CRA/LA to make certain findings before CRA/LA funds can be used to pay for public improvements; and

WHEREAS, the City of Los Angeles is unable to finance the cost of the Public Improvements because of continued stress on the City General Fund for the 2012 fiscal year resulting from the adverse impacts of the economic recession that has severely reduced City revenues; and

WHEREAS, CRA/LA staff have used reasonable efforts to identify other means to finance the Public Improvements and have successfully been awarded and will operate as the administrative entity for these HCD Proposition 1C In-fill and Infrastructure Grant funds to pay for these 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 value of the land for and 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 September 15, 2011, 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, CALIFORNIA, AND THE CITY COUNCIL OF THE CITY OF LOS ANGELES DO HEREBY DETERMINE AND RESOLVE AS FOLLOWS:

- 1) The provision of the public improvements such as sidewalk reconstruction and repair, curb and gutter repair, intersection safety upgrades, ADA compliance, safety and pedestrian lighting, transit amenities, wayfinding, gateway installations and the financing for parking to develop affordable housing in the Crenshaw Amended and Mid City Recovery Redevelopment Project Areas are of benefit to these Project Areas in that these public improvements will assist in eliminating one or more blighting conditions and is necessary to effectuate the CR and MD Redevelopment Plans because of the need to:
 - a. Mitigate defective sidewalk construction, non-compliant ADA infrastructure, tree root damage, aged and worn public infrastructure that present a liability to the City and an immediate danger to pedestrians; and
 - b. Provide a safe environment through mechanisms such as pedestrian lighting, intersection safety upgrades, and wayfinding; and
 - c. Provide job creation and retention programs; and
 - d. Create synergies from overall activities in and around these Project Areas that will over time increase the property values and create the necessary demand to develop the remaining vacant land parcels in these Project Areas.

- 2) The City and CRA/LA find that after pursuing an investigation for funding sources from the City, the public improvements required to facilitate these improvements are not in the City's capital improvement budget for funding and no other reasonable means of financing the public improvements consistent with the purpose of the CR and MD Redevelopment Plans are available.

- 3) The provision of the public improvements are consistent with the Five-Year Implementation Plans for the Crenshaw Amended Redevelopment Project Area adopted on March 4, 2010 by Resolution 7439 and the Mid City Recovery Redevelopment Project Area adopted on May 20, 2010 by Resolution 7480, in that they achieve an environment reflecting a higher level of concern for public safety, public infrastructure and an improved quality of life appropriate to the objectives of the plan is included in said Implementation Plan.

ADOPTED BY CRA/LA: _____

ADOPTED BY THE CITY: _____

I CERTIFY THAT THE FOREGOING
 RESOLUTION WAS ADOPTED BY THE
 COUNCIL OF THE CITY OF LOS ANGELES
 AT ITS MEETING OF NOV 29 2011
 BY A MAJORITY OF ALL ITS MEMBERS.



JUNE LAGMAY
 CITY CLERK

BY [Signature]
 DEPUTY