

0150-11577-0000


**TRANSMITTAL**

TO Council	DATE 01-31-20	COUNCIL FILE NO.
FROM Proposition K – L.A. For Kids Steering Committee		COUNCIL DISTRICT CD 15

At its meeting held on January 30, 2020 the L.A. for Kids Steering Committee adopted the recommendations of the attached Bureau of Engineering (BOE) report, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize the rescission of the Proposition K (Prop K) 8<sup>th</sup> Cycle competitive grant of \$1,299,749 that was awarded to The Children's institute , Inc. (CII), and authorize BOE to terminate the Prop K Grant Agreement No. C-127725.

On June 28, 2016, Council awarded Prop K competitive grant funds to CII in the amount of \$1,299,749 for the project scope that included the development of 39,450 square feet of green space and the installation of sports field lighting (C.F. 12-1670). Due to evolving needs of the community and additional stakeholder input, CII could no longer implement the design and construction of the green space as outlined in the Prop K Grant Agreement and opted not to continue the project. The rescinded funds will be made available in the forthcoming 10<sup>th</sup> Cycle Request for Proposal expected to be released on February 27, 2020.

There is no impact on the General Fund as the report recommendations involve administrative actions that impact the Proposition K program funds.

  
Richard H. Llewellyn, Jr.  
City Administrative Officer  
Chair, L.A. For Kids Steering Committee

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**L.A. FOR KIDS STEERING COMMITTEE MEETING, January 30, 2020**  
**AGENDA ITEM (2)**  
**CHILDREN'S INSTITUTE, INC.**  
**BUREAU OF ENGINEERING**

**DATE:** January 30, 2020

**TO:** Proposition K – L.A. for Kids Steering Committee

**FROM:** Neil Drucker, Assistant Division Manager *Neil Drucker*  
Architectural Division  
Program Manager/Proposition K - L.A. for Kids Program  
Bureau of Engineering

**SUBJECT: RECOMMENDATION TO RESCIND PROPOSITION K FUNDS FROM THE CHILDREN'S INSTITUTE, INC. (CII) – THE CII WATTS CENTER (LANDSCAPING AND SPORTS FIELD LIGHTING), PROPOSITION K GRANT AGREEMENT NO. C-127725 (CD#15, PROJECT ID# C-238-8)**

**RECOMMENDATION**

The Bureau of Engineering (BOE) recommends that the Proposition K – L.A. for Kids Steering Committee recommend that the City Council:

1. Approve Children's Institute, Inc.'s request to rescind their Proposition K Grant Agreement No. C-127725 in the amount of \$1,299,749, for the Children's institute Watts Center – Landscaping and Sports Field Lighting project, and authorize BOE to terminate this contract.
2. Approve Children's Institute, Inc.'s request to reconvey and release the Deed of Trust, and any other lien securing the Proposition K Grant Agreement, C-127725 back to Children's Institute, Inc..

**DISCUSSION**

Children's Institute, Inc. (CII) applied for Proposition K competitive funding in the 8<sup>th</sup> Funding Cycle, for landscaping and sports field lighting located on 1522 East 102<sup>nd</sup> Street, Los Angeles, in Council District 15. CII was awarded \$1,299,749 in Proposition K funds (Council File No. 12-1670) to assist with the landscape and sports field lighting at the project site. The Proposition K Grant Agreement No. C-127725, between the City (Bureau of Engineering) and CII was executed on June 28, 2016, and required that design and construction be completed by June 27, 2019.

The Project comprised of developing approximately 39,450 square feet of outdoor

existing parking space to include the following:

- 1. Urban Greening:** Install approximately 39,450 square feet of green space to include the following:
  - a. Demolish and excavate approximately 37,510 square feet of existing asphalt surfaced parking lot, and approximately 1,940 square feet of landscaped areas.
  - b. Create 2 berms of approximately 260 linear feet on the south side of East 102<sup>nd</sup> Street, and along the east side of Success Avenue plus approximately 144 Linear Feet around the playground.
  - c. Install approximately 26,190 square feet of grass and other planting areas, approximately 7,760 square feet of concrete (including areas under pavilion), approximately 2,500 square feet of safety surface, and approximately 3,000 square feet of sand and other play areas.
  - d. Plant approximately 32/36" box mature shade trees in the park and playground and approximately 12/36" box trees on the 102<sup>nd</sup> Street to provide a shaded environment.
  - e. Plant materials (variety of types of plants with containers numbering in the hundreds), tree grates, and permanent wood benches, as well as trash receptacles for all public areas, and plantings along perimeter fencing throughout the site to grow vines.
  - f. Plant shrubs approximately 500 square feet along the landscaped berms and the street edges.
  - g. Provide soil amendment throughout the property to promote healthy plant growth and reduce water consumption.
  - h. Install water irrigation system throughout the facility. Install weather sensitive remote control system.
  - i. Install 2 trellis structures along the children's playground to grow vines.
  - j. Install approximately 950 linear feet of iron fencing, and 3 of gates that will secure the perimeter, and provide structure for beautification with plantings, creating the urban green environment.
  
- 2. Sports Field Lighting:**
  - a. Install approximately eighteen 50 foot poles with energy efficient lights at 25 feet intervals. The lights will be custom fit, specification grade, low voltage LED fixtures which will provide lighting for the sports, and recreational areas, which is approximately 630 linear feet along the south side of 102<sup>nd</sup> Street and east side of Success Avenue for night play.

The project budget was originally estimated to be \$21 million, of which CII raised \$6.6 million from private donations. CII received \$23 million in New Markets Tax Credits along with the \$1,299,749 in Proposition K funds.

On November 27, 2019, BOE received a letter from CII to state that they would like to rescind the Proposition K Grant Agreement. They felt that their plans for the building and surrounding green space evolved over the years since the project was originally envisioned, due to changing needs in the community, and input from many stakeholders. CII felt that they could no longer implement the design and construction of greenspace as contemplated in the Proposition K Grant Agreement. Therefore, CII opted not to continue the project. To date, no Proposition K Grant funds have been disbursed to CII under the Grant Agreement, and, as such, CII owes no repayment of grant funds to the City. CII has also requested in their letter that the City reconvey and release the Deed of Trust, and any other lien securing the Grant Agreement back to them.

Based on CII's letter, BOE recommends to rescind the allocated Proposition K Grant funding in the amount of \$1,299,749, and terminate the related Proposition K Grant Agreement (C-127725), thereby reprogramming the funds allocated to them back to the Proposition K competitive grant program. The rescinded funds will either be reprogrammed to another Proposition K eligible purpose, or made available for the next Proposition K competitive funding cycle.

**Attachment:**

1. Letter from CII dated November 27, 2019





**children's  
institute**



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**November 27, 2019**

*via US mail and email*

**City of Los Angeles  
Department of Public Works  
1149 S. Broadway, Suite 860  
Los Angeles, California 90015**

**Attn: Neil Drucker, Program Manager  
Recreational & Cultural Facilities Program**

**RE: Proposition K Grant Agreement No. C-127725**

**Dear Mr. Drucker:**

I am writing to update you on the status of the Proposition K Grant Agreement No. C-127725, dated June 28, 2016, which awarded up to \$1,299,749 to Children's Institute for our building project in Watts, referred to as 'The CII Watts Center - Landscape and Sports Field Lighting' project. The project is located at 1522 East 102nd Street Los Angeles, California 90002.

The grant agreement is secured by a Deed of Trust and Assignment of Rents, dated June 20, 2016, recorded against the property, specifically APNs: 6048-012-029, and 6048-012-028.

As you may be aware, CII has been in discussions with Jacob John for the past few months about changes to the original design and possible options related to the future of the





project as the grant agreement expired in June 2019 and we were unsure about how best to utilize the grant funds.

Our plans for the building and surrounding green space have evolved in the years since the project was originally envisioned, due to changing needs in the community and input from many stakeholders. For these reasons, we can no longer implement the design and construction of greenspace as contemplated in the grant agreement, and we are writing to inform the City of Los Angeles that we will not opt to continue the project. We respectfully request that the funds originally allocated to CI's project be released back to the City. We further request that the City reconvey and release the Deed of Trust and any other lien securing the Grant Agreement.

Please do not hesitate to reach out with any questions or for additional information regarding this request prior to our meeting on December 4. My direct line is 213-260-7683 and my email is [gstraub@childrensinstitute.org](mailto:gstraub@childrensinstitute.org).

Very truly yours,

Eugene D. Straub

Executive Vice President, Chief Financial and Chief Operating Officer

CC: Martine Singer, President & CEO, Children's Institute  
Aksel Palacios, Planning Deputy, Councilmember Joe Buscaino, 15th District