

JUN 28 2013

13-0838  
CD 6

HOUSING, COMM & ECON. DEVELOP.

### MOTION

On June 24, 2010, the United States Department of Commerce Economic Development Administration awarded the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) a \$4,221,028 grant (including a 25 percent CRA/LA match) to design and construct Sun Valley road improvements in Council District 6. Such improvements include design and construction upgrading of curbs, gutters, sidewalks and pavement along two main streets and five intersections. The proposed project is strategically located within easy access to multiple interstate freeways, three airports, and a freight rail system. These infrastructure improvements are essential for stimulating economic development in the Sun Valley community by creating a competitive environment to attract new investment into the region to generate and retain jobs.

The proposed improvements will also improve key transportation corridors used in the initial emergency response to natural disasters such as the 2008 wildfires in Los Angeles County which devastated over 17 square miles and destroyed 615 structures. The improved roadways will facilitate the movement of emergency vehicles, public safety personnel, and the evacuation of disaster victims to and from emergency shelters, fire stations, hospitals, and airports.

On February 1, 2012, California Assembly Bill (AB) 1x26 dissolved all redevelopment agencies in California. By this point, the design of the EDA project was approximately 90 percent complete. In July 2012, CRA/LA Designated Local Authority (CRA/LA-DLA) was created to succeed the former CRA/LA. The CRA/LA-DLA has prepared an Assignment and Assumption Agreement for the City Department of Public Works, Bureau of Engineering (BOE) to be assigned the rights and fulfill the obligations of the original CRA/LA in regards to the EDA grant. BOE has agreed to accept the assignment subject to Council approval.

The BOE estimates the project cost of the Sun Valley improvements to be approximately \$7.8 Million which results in a funding shortfall of approximately \$3.6 Million. The EDA grant expired on June 24, 2013. However, EDA has indicated that the City may transmit an extension request to allow BOE to complete the project. Therefore, City staff should be instructed to prepare recommendations to fill the funding gap and submit an extension request to EDA to complete the project in a timely manner.

I THEREFORE MOVE that the City Council, with respect to the Sun Valley EDA grant, instruct the CLA and the CAO to: 1) work with the CRA/LA-DLA to transmit the Assignment and Assumption Agreement for the City Department of Public Works, Bureau of Engineering to be assigned the rights and fulfill the obligations of the former CRA/LA in regards to the EDA grant for Council review; 2) prepare and submit for Council review an extension request to EDA, with the assistance of BOE and CRA/LA-DLA, to allow the City to complete the proposed road improvements in Council District 6; and, 3) report on the status of the EDA project and provide recommendations to fill the funding gap to complete the Sun Valley improvement project as originally proposed to EDA.

PRESENTED BY \_\_\_\_\_

SECONDED BY \_\_\_\_\_

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ORIGINAL

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