

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the appropriation of \$400,000 in Community Redevelopment Agency of Los Angeles (CRA/LA) excess bond proceeds (EBP) from the Wilshire Center/Koreatown Redevelopment Project Area for infrastructure improvements.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the utilization of \$400,000 in CRA/LA EBP funds available to Council District Four from the Wilshire Center/Koreatown Redevelopment Project Area to be utilized to rehabilitate public infrastructure.

2. AUTHORIZE the Controller to:

a. Establish a new account 22N174, titled Board of Public Works (BPW), Office of Community Beautification within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D.

b. Transfer appropriations within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
From:		
22LT9TT	Wilshire Center/Koreatown Taxable (Series A)	\$55,602.01
22L9TT	Wilshire Center/Koreatown Taxable (Series B)	226,603.68
22L9TN	Wilshire Center/Koreatown Tax Exempt (Series C)	<u>93,294.31</u>
		Total: \$375,500.00

To:		
22N174	BPW, Office of Community Beautification	<u>\$375,500.00</u>
		Total: \$375,500.00

c. Increase Fund 100/74 appropriations as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
3040	Contractual Services	\$375,500

d. Expend funds up to \$24,500 within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9TN, titled Wilshire Center/Koreatown Tax Exempt, upon presentation of proper documentation and demand of the General Manager, EWDD, or designee pursuant to a contract with Beautify Earth for public improvements.

3. AUTHORIZE the Economic and Workforce Development Department (EWDD) to expend

funds up to \$30,000 within CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D, Account No. 22L9DT, titled Wilshire Center/Koreatown Tax Exempt upon presentation of proper documentation and demand of the General Manager, EWDD, or designee, pursuant to the contract described above in Recommendation No. 2.

4. AUTHORIZE the BPW, Office of Community Beautification to amend its existing contract (Contract No. C-122619) with the Los Angeles Beautification Team (LABT) for beautification and graffiti abatement services to include corridor and building facade beautification along Western Avenue between Melrose Avenue and 3rd Street with the improvements to include:
 - a. Small business facade improvements
 - b. Improved signage, street furniture, landscaping and/or other aesthetic improvements that are prioritized by the community.
5. AUTHORIZE the BPW, Office of Community Beautification, on behalf of City Plants (Million Trees LA Trust Fund) to amend its existing contract with the Los Angeles Conservation Corp. (Contract No. C-124509) to purchase, plant, and maintain street trees along Western Avenue from Melrose Avenue to 3rd Street.
6. AUTHORIZE the General Manager, EWDD, or designee, to negotiate and execute a contract in an amount not to exceed \$24,500 with Beautify Earth for public art improvements subject to a Charter Section 1022 determination.
7. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CRA/LA Bond Oversight Committee; and AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CRA/LA Bond Oversight Committee reports that there is no impact on the City's General Fund from the proposed allocation of CRA-LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (Council File No. 14-1174). Said transfer has been deposited with the Office of the Controller

Community Impact Statement: None submitted.

Summary:

On September 13, 2016, your Committee considered an August 11, 2016 CRA/LA Bond Oversight Committee report relative to the appropriation of \$400,000 in CRA/LA EBP from the Wilshire Center/Koreatown Redevelopment Project Area for infrastructure improvements. According to the CRA/LA Bond Oversight Committee, pursuant to the dissolution of the former Community Redevelopment Agency- Los Angeles of Los Angeles on February 1, 2012, a Designated Local Authority (CRA/LA) was established on February 3, 2012 to serve as the successor agency. AB 1484, which passed the State legislature on June 27, 2012, permits eligible successor agencies to use unobligated pre-2011 tax allocation bond proceeds (Excess Bond Proceeds) for new obligations, as long as the funds are used in a manner consistent with

the original bond covenants. To that end, the City executed a Bond Expenditure Agreement (BEA) with CRA/LA in January 2015 which authorized the transfer of approximately \$84.1 million in EBP from the CRA/LA to the City. The \$84.1 million was generated by 26 bond issues of which seven were tax exempt (\$41.4 million), and 19 were taxable (\$42.6 million).

The EBP is to be spent on bond eligible purposes that are of maximum benefit to the City, and the Affected Taxing Entities including the County, School District, and Community College District. The EBP contains provisions for 16 percent in taxable EBP to be expended on staff administration and project evaluation costs. Council also adopted a Bond Spending Plan (BSP) which was created by the offices of the Mayor, City Administrative Officer, Chief Legislative Analyst, EWDD, Housing and Community Investment Department, and Bureau of Engineering to implement the BEA.

The BSP delineates each redevelopment project area's available EBP broken down by their taxable or tax-exempt origin; and outlines permissible investments by project, program and activity per project area as follows:

- a. Public Infrastructure- Capital improvements to roadways, utility infrastructure, streetscapes and sidewalks
- b. Community Facilities/Open Space- Land acquisition, new construction and improvements to schools, libraries, community centers, parks, public plazas, museums, theaters
- c. Affordable Housing Projects- Land acquisition, new construction, rehabilitation of existing buildings, and preservation of affordability covenants
- d. Business Assistance and Catalytic Commercial Development- Establishment and investment in Business Districts to create jobs, facade programs, technical assistance to small businesses, development of underutilized/contaminated sites to address blight, develop catalytic projects to attract private investment, and rehabilitation of historic/commercial buildings.

Additionally, potential projects, including high priority investments, are identified per project area. The City will use the EBP for redevelopment purposes for which the bonds were sold and consistent with the applicable bond covenants as set forth in the bond documents, BEA, applicable provisions of the Community Redevelopment Law and Redevelopment Plans, and the BSP. The BSP allows the City to transfer funds between projects, programs and activities as long as the funds remain within the Redevelopment Project Area from which the EBP are derived.

Council District Four is entitled to is entitled to \$2,711,872 in Excess Bond Proceeds over four project areas: East Hollywood/Beverly, Hollywood, North Hollywood and Wilshire Center/Koreatown. Council District Four's EBP consist of \$836,162 in tax-exempt bond proceeds, and \$1,875,709 in taxable bond proceeds in all four project areas.

Council District Four proposes to invest \$400,000 in available EBP to implement public infrastructure improvements along Western Avenue between Melrose Avenue and 3rd Street. The EWDD has consulted with Council District Four staff and the BPW, Office of Community

Beautification regarding the scope of work for the contractual work to be performed by the Los Angeles Beautification Team (LABT), Los Angeles Conservation Corps (LACC), and Beautify Earth.

This project has three components:

Facade Program (LABT)	\$300,000
Street Trees (LACC)	\$75,500
Public Art Improvements (Beautify Earth)	\$24,500
Total:	\$400,000

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the August 11, 2016 CRA/LA Bond Oversight Committee report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.



Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	YES

ARL
9/13/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-