

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 7, 2018

CAO File No. 0111-31341-0000

Council File No. 14-1174- S12

Council District: 7

To: The Council

From: Richard H. Llewellyn, Jr., Chair of the CRA/LA Bond Oversight Committee

Subject: **BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST REVIEW AND RECOMMENDATION THAT CITY COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$450,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-A AND 2006-B) FOR THE PACOIMA RENOVATE FAÇADE IMPROVEMENT GRANT PROGRAM, IN PARTNERSHIP WITH THE COUNTY OF LOS ANGELES**

RECOMMENDATIONS

That the Council, subject to approval by the Mayor,

1. APPROVE up to \$450,000 in CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District 7 (CD 7) from the Pacoima/Panorama City Redevelopment Project Area (Project Area), to be utilized for the Pacoima Renovate Façade Improvement Grant Program (Program);
2. AUTHORIZE the Economic Workforce Development Department (EWDD), in conjunction with the County of Los Angeles (County), to negotiate and execute agreements and/or a Memorandum of Understanding and all related documents as required to facilitate the Program;
3. DIRECT the EWDD to obtain from the County a progress report on the Program prior to the disbursement of Excess Bond Proceeds (EBP), and quarterly thereafter;
4. AUTHORIZE the EWDD to be the implementing department, and to expend funds up to \$450,000 from the EBP Fund No. 57D, Account 22L9MT, Pacoima/Panorama City, Taxable Series 2003-A and 2006-B, for transactions related to the Program upon proper documentation and satisfactory review by the EWDD; and
5. AUTHORIZE the General Manager of 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 City Administrative Officer (CAO), and authorize the Controller to implement these instructions.

SUMMARY

At its meeting on May 31, 2018, the Community Redevelopment Agency of Los Angeles (CRA/LA) Bond Oversight Committee (BOC) approved the recommendations in the attached EWDD report, and made amendments to the EWDD Analysis, the Community Benefit statement and the CAO Covenant Review sections only. Adoption of the below referenced revisions and unchanged recommendations would authorize EWDD to utilize up to \$450,000 in CRA/LA Excess Non-Housing Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area (Taxable Series 2003-A and 2006-B) for the Pacoima Renovate Façade Improvement Grant Program, in partnership with the County of Los Angeles.

COMMUNITY BENEFIT

The committee instructed the EWDD to amend the Community Benefits section of the report to reflect the original directive as agreed upon in the Bond Expenditure Agreement by and between the City of Los Angeles and the CRA/LA. The amended language should read as follows:

The expenditures set forth in this report will provide community benefits in the Pacoima/Panorama City Redevelopment Project Area which will benefit the affected taxing entities by improving the public right-of-way to promote economic development, improve safety, and enhance the appearance of buildings along the commercial corridor. The construction of public infrastructure improvements will allow for greater social equity by making a positive impact to the built environment while complementing other community development efforts. Safety will be enhanced for school children, pedestrians and bicyclists in general. Enhanced connectivity and improved access along the commercial corridor will promote the public peace, health, safety, and public welfare in an effort to increase economic vitality for property owners and improve the overall quality of life for the area's residents.

CAO COVENANT REVIEW

The committee discussed the covenant review process and determined that this section should be amended to:

The CAO has completed its review of the original bond documents and covenants, and has found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). Said Transfers have been deposited with the Office of the Controller.

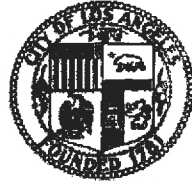
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Attachment – EWDD Report Dated May 25, 2018

CITY OF LOS ANGELES

CALIFORNIA

JAN PERRY
GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

May 25, 2018

Council File: 14-1174-S12
Council District No.: 7
Contact Persons & Extensions:
Daisy Hernandez: (213) 744-9340

CRA/LA Bond Oversight Committee
c/o Jacqueline Wagner
Office of the City Administrative Officer
Room 1500, City Hall East

BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST REVIEW AND RECOMMENDATION THAT CITY COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$450,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-A AND 2006-B) FOR THE PACOIMA RENOVATE FAÇADE IMPROVEMENT GRANT PROGRAM, IN PARTNERSHIP WITH THE COUNTY OF LOS ANGELES

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval and processing of the recommendations in this transmittal to the City Council for their review and consideration.

RECOMMENDATIONS

The General Manager of EWDD, or designee, requests that the Bond Oversight Committee recommend that the City Council, subject to the approval of the Mayor as required:

1. **APPROVE** up to \$450,000 in CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District (CD) 7 from the Pacoima/Panorama City Redevelopment Project Area (Project Area), to be utilized for the Pacoima Renovate Façade Improvement Grant Program (Program);
2. **AUTHORIZE** the EWDD, in conjunction with the County of Los Angeles (County), to negotiate and execute agreements and/or a Memorandum of Understanding and all related documents as required to facilitate the Program;
3. **DIRECT** the EWDD to obtain from the County a progress report on the Program

prior to the disbursement of Excess Bond Proceeds (EBP), and quarterly thereafter;

4. AUTHORIZE the EWDD to be the implementing department, and to expend funds up to \$450,000 from the EBP Fund No. 57D, Account 22L9MT, Pacoima/Panorama City, Taxable Series 2003-A and 2006-B, for transactions related to the Program upon proper documentation and satisfactory review by the EWDD; and
5. AUTHORIZE the General Manager of 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 City Administrative Officer (CAO), and authorize the Controller to implement these instructions.

SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 7 Motion (Fuentes-Harris-Dawson), which was adopted by Council on July 1, 2016 (CF 14-1174-S12).

This Motion seeks to appropriate up to \$4,000,000 in taxable and tax-exempt EBP available to CD 7 from the Project Area to facilitate a feasibility analysis, development costs, project management and other related administration costs for three (3) activities:

- 1) Façade program
- 2) Public infrastructure improvements along or near Van Nuys Boulevard to include the reconstruction of Pacoima Great Streets/Green Alley and Bradley Avenue Green Alley project (Bradley Project), and
- 3) A related apprenticeship program

On June 21, 2017, the Bond Oversight Committee (BOC) and City Council approved a partial appropriation of \$1,229,031 to proceed with the Bradley Project. Work for that project is underway. The remaining \$2.7 million is available for the other activities specified in the Motion.

The Los Angeles County Third Supervisorial District wants to invest County General Funds to implement a façade improvement program in its district. These funds would normally target unincorporated County areas. However, the County was not able to identify any eligible unincorporated sections and proposed targeting the Van Nuys Blvd. commercial corridor, in Pacoima. Consequently, the Community Development Commission of the County of Los Angeles (LACDC) approached the City regarding a potential County-City partnership to implement the Program. The County proposed to fund up to \$400,000, with a dollar for dollar match from the City, plus \$50,000 in City funds to help cover costs for project management.

Façade program is identified as an eligible activity under the Business Assistance and

Catalytic Commercial Development category in the Bond Spending Plan (BSP) for this Project Area. Therefore, the proposed use of funds is permissible under the BSP adopted by City Council on October 29, 2014 (CF 14-1174), and sufficient funds for this purpose are available from CD 7's portion of EBP in the Project Area.

The original taxable and tax-exempt EBP in Project Area available to CD 7 was \$10,215,250. However, after the taxable administrative appropriation of 16% (\$213,876), there remained combined taxable and tax-exempt proceeds totaling \$10,001,374. This activity's proposed \$450,000 of taxable appropriation, along with 3 existing projects approved with taxable and tax-exempt appropriations, will leave CD 7 with \$582,847 in taxable, and \$7,487,418 in tax-exempt, EBP in the Project Area for a total of \$8,070,265.

BACKGROUND

The LACDC administers, manages, facilitates and implements the Renovate Façade Improvement Program in the unincorporated areas of Los Angeles County. The program provides funds for storefront façade improvements and related building and safety code violations. The Renovate Façade Improvement Program is funded by the County's Board of Supervisors and is issued to property owners in the form of grants that pay costs associated with environmental, design, construction and technical services for the projects. The County's Third Supervisorial District wants to allocate County General Funds to implement façade improvement activities in its district. However, the County was unable to identify potential target areas in the Third District's unincorporated sections. As a result, LACDC approached the City with a proposal to implement the Program in the Pacoima community, and allocate up to \$400,000 to carry out the façade improvement activities. The City would be required to match the County's \$400,000 contribution to the Program, plus provide \$50,000 to pay for project management costs.

Pursuant to a CD 7 Motion (Fuentes-Harris-Dawson), which was adopted by Council on July 1, 2016 (CF 14-1174-S12), up to \$4 million in taxable and tax-exempt EBP available to CD 7 may be allocated to carry out a façade program, public infrastructure improvements along or near Van Nuys Boulevard, and an apprenticeship program. Of the \$4 million, \$2.7 million remains available to implement the activities specified in the Motion. It is proposed to use the available EBP to fund the \$450,000 required to enter into the partnership with the County to implement the Program.

The LACDC anticipates presenting the Program to its Board of Supervisors on June 12, 2018. The County has requested for the City's approval process to be subsequent to the County's approval. In the interest of time, the EWDD is presenting the recommendation to partner with the County to implement the Program with the stipulation that the BOC's consideration should not be processed through the Economic Development Committee (EDC) until the EDC meeting of June 12, 2018, or thereafter.

The Program's Memorandum of Understanding and related documents have been

reviewed and approved by the City Attorney as to form and legality.

EWDD ANALYSIS

The EWDD has consulted with CD 7 staff and the CLA regarding the Motion, the anticipated scope of work, and the proposed bond series EBP to be used. The Council Office has confirmed their support for partnering with the County on the Program, and has provided input on program guidelines and requirements.

The proposed target area for the Program is along Van Nuys Boulevard between San Fernando Road and Laurel Canyon Boulevard. Building owners and commercial tenants, with property owner's consent, would be eligible to apply. Eligible façade improvements, visible from a public street, include exterior elements that improve the aesthetics of the building such as painting, windows, doors, stucco and tile repair, awnings, etc. Other improvements such as signage, lighting, anti-graffiti film for glass windows and doors, and interior/exterior Americans with Disabilities Act (ADA) improvements would also be eligible. Grant amounts would vary, based on the specifics of the project and size/condition of the property. The total Program budget for projects would be \$800,000, which includes the County's contribution and the City's matching EBP funds.

Administration of the Program would be the responsibility of the LACDC, working in direct collaboration with EWDD. The \$50,000 required by the County's proposal would offset the County's costs for project management, construction management, and labor compliance. All costs paid by the \$50,000 would be project-related.

The LACDC will report program progress quarterly to the CAO regarding work accomplished so that this information can be included in the regular reports to the BOC and Mayor.

COMMUNITY BENEFITS

The Program aims to improve the appearance of buildings and entire commercial centers by enhancing the sense of place, and making commercial areas more inviting places to walk and shop. Its key objective is to target areas within Pacoima where newer, commercial retail centers abut older developments. The Program aims to make a significant, positive visual impact to the building environment while complementing other community development efforts. The result will be a more unified appearance that will strengthen the visual character and image of commercial corridors, rendering them more inviting to potential new businesses and shoppers, and increase property values.

ENVIRONMENTAL REVIEW

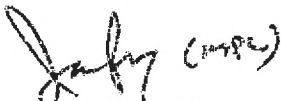
The Façade Improvement Program is categorically exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301(a) of the State CEQA Guidelines.

CAO BOND COVENANT REVIEW

The CAO has completed its review of the original bond documents, and has found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. It is recommended that up to \$450,000 in taxable EBP (2003 Series A and 2006 Series B) from the Project Area be appropriated for the purposes stated in the Motion.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from two transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). Said Transfers have been deposited with the Office of the Controller.



JAN PERRY
General Manager

JP:SH:DH:MMS:AAC

ATTACHMENT: Motion (Fuentes-Harris-Dawson) C. F. 14-1174-S12

MOTION CITY CLERK FOR PLACEMENT ON NEXT REGULAR COUNCIL AGENDA TO BE POSTED

#58

In accordance with policies adopted by Council (C.F. 14.1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable committee with final recommendations presented to the Council and Mayor for final consideration and approval.

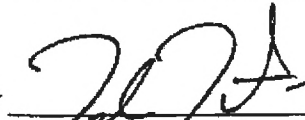
In June 2014, the Mayor announced the Great Streets Initiative that aims to improve neighborhood gathering places and generate economic activity by revitalizing key community corridors. By focusing on transforming this valuable and underutilized public asset in a manner that supports thriving neighborhoods, the Great Streets Initiative activates the public realm, provides economic revitalization, increases public safety, enhances local culture, and builds great communities. The goal is to reimagine the public streetscape throughout the City to create gathering places for residents and visitors to come together to shop, eat, work, or just enjoy at their leisure. There are currently 15 streets, one in each Council District, identified as part of the Great Streets Initiative, including Van Nuys Boulevard in Council District Seven.

Council District Seven is currently working with the Mayor's Great Streets team and City departments on various projects along Van Nuys Boulevard that aim to enhance both the infrastructure and economic vitality of Pacoima. To enhance the walkability along the corridor the Van Nuys Boulevard façade program is proposed to give businesses the opportunity to enhance their business frontage. The Van Nuys Boulevard Green Street/Sidewalk project has been identified as a priority project and consists of various public infrastructure improvements including, but not limited to, incorporating permeable pavement on sidewalks, dry wells, infiltration bio swales and other green elements. The Bradley Avenue Green Alley project, which runs parallel to Van Nuys Boulevard and makes an important physical connection to the amenities on Van Nuys Blvd for the residents of the San Fernando Valley Gardens Housing Authority Project, will convert a blighted, crime ridden alley, into a new community amenity that will serve residents of the adjacent housing complex and benefit. It will act as both a mobility corridor and as an expansion of Bradley Plaza which will increase open space and provide better pedestrian access to the Van Nuys Corridor. An apprenticeship program is also proposed to provide residents with an opportunity to learn trade skills useful in obtaining future employment.

I THEREFORE MOVE that both tax-exempt and all remaining taxable CRA/LA Excess Bond Proceeds available to Council District 7 from the Pacoima/Panorama City Redevelopment Project Area in an amount not to exceed \$4 million be utilized to assist in the feasibility analysis, development costs, and administration costs related to public infrastructure improvements along or near Van Nuys Boulevard in Pacoima including, but not limited to, the reconstruction of Pacoima Green Streets/Green Alley program, the Bradley Avenue Green Alley project, and a related apprenticeship program.

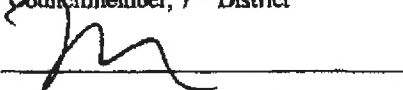
I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Council District Seven, Bureau of Engineering, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate and expend expeditiously both tax-exempt and all remaining taxable CRA/LA Excess Bond Proceed in an amount not to exceed \$4 million to assist with the feasibility analysis, development costs, project management and other related administration costs related to façade program, public infrastructure improvements along or near Van Nuys Boulevard in Pacoima including, but not limited to, the reconstruction of Pacoima Green Streets/Green Alley program, the Bradley Avenue Green Alley project, and a related apprenticeship program as described above and identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pacoima Redevelopment Project Area.

PRESENTED BY



FELIPE FUENTES
Councilmember, 7TH District

SECONDED BY



JUN 24 2016