

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to proposed agreement with RAW International for consultant services in connection with implementation of projects, programs and activities for the Crenshaw/Slauson Redevelopment Project Area.

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

1. APPROVE the expenditure of \$119,000 in Community Redevelopment Agency Los Angeles (CRA/LA) excess bond proceed (EBP) funds available to Council District Eight from the Crenshaw/Slauson Redevelopment Project Area (Series B) to be utilized towards a contract with the RAW International to assist with the implementation of projects, programs and activities identified in the Bond Spending Plan (BSP) for said Project Area.
2. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to negotiate and execute an agreement with Raw International, Inc., with funding not to exceed \$119,000 for the period of seven months, subject to the review and approval of the City Attorney as to form and subject to a Charter Section 1022 determination.
3. AUTHORIZE the EWDD to expend funds up to \$119,000 within CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D, Account No. 22L9DT, titled Crenshaw/Slauson (Taxable) upon presentation of proper documentation and demand of the General Manager, EWDD, or designee, pursuant to this contract.
4. 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 Bond Oversight Committee (BOC); and AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The BOC reports that there is no impact on the City's General Fund from the proposed allocation of CRA/LA excess bond proceeds as detailed in the October 7, 2016 BOC report, attached to the Council file. 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 Controller.

Community Impact Statement: None submitted.

Summary:

On November 8, 2016, your Committee considered an October 7, 2016 BOC report relative to a proposed agreement with RAW International for consultant services in connection with implementation of projects, programs and activities for the Crenshaw/Slauson Redevelopment Project Area. According to the BOC, pursuant to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles on February 1, 2012, the CRA/LA, a Designated Local Authority 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 7 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. The City Council also adopted a Bond Spending Plan (BSP) which was created by 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 Project- 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.

Per the Bond Expenditure Agreement, no more than fifteen percent of the taxable bond proceeds may be expended on planning activities related to the prioritization and/or evaluation of potential projects. Therefore, Council District Eight's portion of initial EBP which may be expended on planning and evaluation is \$446,513. Council District Eight is seeking to allocate \$119,000 of this amount for a contract with RAW international, Inc. to develop a Corridor Concept Master plan along Crenshaw Boulevard between 52nd and 60th Streets to determine the greatest needs that would meet the economic development goals identified in the BEA and BSP.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the October 7, 2016 BOC report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

The EWDD will develop, in consultation with Council District Eight, a sole source contract with RAW international, Inc., subject to a determination pursuant to Charter Section 1022 that this work cannot otherwise be performed by a City employee possessing the appropriate expertise. Due to the amount involved, the City Attorney is also currently reviewing the original bond documents to ascertain the applicability of the sole source award justification. The EWDD will consult with CD 8 to ensure that RAW International' work performance meet with their requirements. Also, the EWDD will report work accomplishments and funds expended in BOC reports, as well as EWDD's quarterly and semi-annual reports to the CRA/LA.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



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

ARL
11/8/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-