

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the appropriation \$6,000 in Community Redevelopment Agency Los Angeles (CRA/LA) excess bond proceeds from the Crenshaw/Slauson Redevelopment Project Area (Project) for consultant services.

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

1. APPROVE the utilization of \$6,000 in CRA/LA excess bond proceed funds available to Council District Eight from the Crenshaw/Slauson Redevelopment Project Area (Series A) to be utilized towards a contract with the Ross Group to assist with the implementation of projects, programs and activities identified in the bond spending plan for this Project.
2. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to negotiate and execute an agreement with the Ross Group, with funding not to exceed \$6,000 for a 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 \$6,000 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 the agreement as detailed in the October 7, 2016 CRA/LA BOC report, attached to the Council file.
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 CRA/LA BOC; and, AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CRA/LA BOC reports that there is no General Fund impact from the proposed allocation of CRA/LA excess bond proceeds.

Community Impact Statement: None submitted.

Summary:

On November 8, 2016, your Committee considered an October 7, 2016 CRA/LA Bond Oversight Committee report relative to appropriation \$6,000 in CRA/LA excess bond proceeds from the Crenshaw/Slauson Redevelopment Project Area for consultant services. According to the CRA/LA Bond Oversight Committee, pursuant to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles on February 1, 2012, CRA/LA, 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 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. Council also adopted a Bond Spending Plan (BSP) which was created by the offices of the Mayor, City Administrative Officer, Chief Legislative Analyst, EWDD

Council District Eight (CD 8) is entitled to \$2,976,754 in EBP over five project areas: Broadway/Manchester, Crenshaw/Slauson, Hoover, Normandie 5 and Western/ Slauson. CD 8's EBP consists of zero tax-exempt bond proceeds, and \$2,976,754 in taxable bond proceeds from all five project areas. The specific details of the funding are included in the October 7, 2016 CRA/LA Bond Oversight Committee report.

The approved bond spending within project areas containing portions of CD 8 totals \$3,302,527 and the proposed bond spending within each redevelopment area does not provide a breakdown per Council District. The projects, programs and activities are broken down with the potential projects identified for each project area and are included in the CRA/LA Bond Oversight Committee report.

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, CD 8's portion of initial EBP which may be expended on planning and evaluation is \$446,513. CD 8's Motion, adopted by Council on August 30, 2016, seeks to allocate \$6,000 of this amount for a contract with the Ross Group for economic development related services along Crenshaw Boulevard between 52nd and 60th Streets. As stated in the Motion, Crenshaw Boulevard is a major commercial corridor along the western portion of South Los Angeles. It is home to many small businesses and experiences high volumes of vehicular, pedestrian and bicycle traffic.

With the opening of the Crenshaw/LAX Transit Project, the communities along the Crenshaw corridor are poised for an unprecedented level of economic development. It is important for the City to identify both the short and long term needs of the corridor to ensure that the boulevard continues to thrive. To this end, CD 8 has previously introduced two other motions focused on conducting an economic analysis of the Crenshaw corridor and implementation of an art component with community gathering spaces. The EWDD has consulted with CD 8 staff regarding this Motion, and the anticipated scope of work for the seven month contract includes:

- a. Organizing the Crenshaw Commercial Business owners in the target area who have shown and demonstrated a long term legitimate stake in the community to buy-in and support a street art program.
- b. Organizing four small groups meetings with target area businesses to discuss the full scope of the project as defined by the architect leading the outdoor art exhibition' project.

The EWDD will develop, in consultation with CD 8, a sole source contract with the Ross Group, subject to a determination pursuant to Charter Section 1022 that this work cannot otherwise be

performed by a City employee possessing the appropriate expertise.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the \$6,000 expenditure as detailed in the October 7, 2016 CRA/LA Bond Oversight Committee report and 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:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	YES

ARL
11/8/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-