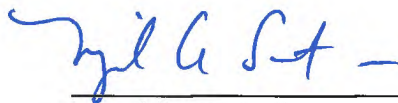


0111-31341-0000

**TRANSMITTAL**

To: Council	DATE 10-07-16	COUNCIL FILE NO. 14-1174
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT All except 5 & 11

At its meeting of September 29, 2016, the CRA/LA Bond Oversight Committee (BOC) adopted the recommendations of the attached Economic Workforce Development Department (EWDD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would appropriate \$1,001,448 in CRA/LA Excess Bond Proceeds to cover 2016-2017 staffing costs at EWDD and the Office of the City Administrative Officer. There is no General Fund impact from the proposed allocation of CRA/LA Excess Bond Proceeds.



Miguel A. Santana  
City Administrative Officer  
Chair, Municipal Facilities Committee

JAN PERRY  
GENERAL MANAGER

**City of Los Angeles**  
CALIFORNIA



ERIC GARCETTI  
MAYOR

**ECONOMIC AND WORKFORCE  
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET  
LOS ANGELES, CA 90017

September 27, 2016

Council File: 14-1174  
Council District No.: All except  
5 & 11  
Contact Persons & Extensions:  
Samuel Hughes: (213) 744-9723

CRA/LA Bond Oversight Committee  
c/o Stephanie Magnien Rockwell  
Office of the City Administrative Officer  
Room 1500, City Hall East

**COMMITTEE TRANSMITTAL: REQUEST APPROVAL TO APPROPRIATE \$1,001,448 IN CRA/LA EXCESS BOND PROCEEDS TO COVER 2016-2017 STAFFING COSTS AT THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT AND CITY ADMINISTRATIVE OFFICER TO ADMINISTER AND MANAGE THE CRA/LA - CITY OF LOS ANGELES BOND EXPENDITURE AGREEMENT AND BOND SPENDING PLAN**

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 appropriate Council Committee(s) and the City Council for their review and consideration.

**SUMMARY**

The EWDD recommends the 2016-2017 staffing functions and budget which will be required for the department to manage the CRA/LA Excess Bond Proceeds (EBP) and their associated projects per the Council adopted framework and the Bond Expenditure Agreement (C.F.14-1174) between the City of Los Angeles (City) and CRA/LA, a Designated Local Authority (CRA/LA). The maximum amount the City can be compensated for administering and planning projects associated with these EBP is limited under the Bond Expenditure Plan (BEP) to 16% of the taxable EBP, or approximately \$6.8 million over a 10-year period. This translates into \$682,207 per year if the allowance were spread evenly throughout the term. The BEP provides for project earmarking during the first 5 years, and implementation during years 6 to 10. The EWDD expects the majority of its administration and planning efforts to occur during years 1 through 5. Accordingly, the EWDD recommended allocating \$744,000 for its

Year 1 staffing and related consultant services; \$2,979,310 for Years 2-5; and \$1,675,881 for Years 6-10 for a grand total staffing budget of \$5,399,999. On November 10, 2015, Council approved the recommendations, with an addition of \$110,474 for the City Administrative Officer's (CAO) Bond Oversight Committee (BOC) administration (C.F. 14-1174-S3).

This transmittal requests an appropriation of \$744,000 for EWDD staffing from the aforementioned \$2,979,310 balance to administer CRA/LA's EBP during Year 2 (2016-2017). Moreover, the CAO is seeking for \$128,885 plus related costs of \$128,563 for their role in administering the BOC.

### **RECOMMENDATIONS**

The General Manager, EWDD, requests that the Bond Oversight Committee review, approve and process the following recommendations for Council approval:

1. APPROVE the EWDD FY 2016-2017 Proposed Budget (to manage the CRA/LA Excess Bond Proceeds for as indicated in Attachment A;
2. AUTHORIZE the Controller to:
  - a. Appropriate up to \$744,000 using funds from each taxable Excess Bond Proceeds into the account for the EWDD staffing and related consultant services described in Section 4.7(ii) of the Bond Expenditure Agreement to administer the Excess Bond Proceeds;
  - b. Appropriate up to \$257,448 using funds from each taxable Excess Bond Proceeds into the account(s) for the CAO Bond Oversight Committee administration staffing and related costs as described in Section 4.3 of the Bond Expenditure Agreement;
  - c. Transfer appropriations within the CRA/LA Non-Housing Excess Bond Proceeds Fund No. 57D as follows:

**FROM:**

Account	Account Name	1% Amount	15% Amount	Total Amount
22L9AT	Adelante Eastside Taxable	\$11,237	\$ 32,475	\$ 43,712
22L9BT	Beacon Street Taxable	\$ 506	\$ 1,461	\$ 1,967
22L9CT	Broadway/Manchester Taxable	\$ 1,808	\$ 5,225	\$ 7,033
22L9DT	Crenshaw/Slauson Taxable	\$ 9,823	\$ 28,384	\$ 38,207
22L9ET	East Hollywood/Beverly-Normandie Taxable	\$13,083	\$ 37,807	\$ 50,890
22L9FT	Hollywood Taxable	\$ 8,785	\$ 25,391	\$ 34,176
22L9GT	Hoover Taxable	\$ 725	\$ 2,095	\$ 2,820
22L9HT	Laurel Canyon Taxable	\$ 5,532	\$ 15,988	\$ 21,520
22L9IT	Monterey Hills Taxable	\$ 305	\$ 879	\$ 1,184
22L9JT	Normandie Five Taxable	\$ 6,840	\$ 19,765	\$ 26,605
22L9LT	Pacific Corridor Taxable	\$ 198	\$ 569	\$ 767
22L9MT	Pacoima/Panorama City Taxable	\$13,679	\$ 39,534	\$ 53,213
22L9NT	Pico Union One Taxable	\$ 2,934	\$ 8,477	\$ 11,411
22L9OT	Pico Union Two Taxable	\$22,577	\$ 65,247	\$ 87,824
22L9PT	Reseda/Canoga Park Taxable	\$82,922	\$239,640	\$322,562
22L9QT	Watts Taxable	\$ 1,140	\$ 3,293	\$ 4,433
22L9RT	Western/Slauson Taxable	\$ 746	\$ 2,158	\$ 2,904
22L9ST	Westlake Taxable	\$27,575	\$ 79,690	\$107,265
22L9TT	Wilshire Center/Koreatown Taxable	\$47,034	\$135,922	\$182,956
	<b>Total</b>	<b>\$257,449</b>	<b>\$744,000</b>	<b>\$1,001,449</b>

**TO:**

Account	Account Name	Amount
22N122	EWDD	\$536,921
22N299	Related Costs - EWDD	\$207,079
22N110	CAO	\$128,885
22N399	Related Costs - CAO	\$128,564
	<b>Total</b>	<b>\$1,001,449</b>

d. Increase appropriations in Fund 100/22 as follows:

Account	Account Name	Amount
1010	Salaries - General	\$378,306
1070	Salaries - As Needed	\$ 838
1090	Overtime	\$ 42
2120	Printing and Binding	\$ 36
2130	Travel	\$ 87
3040	Contractual Services	\$113,178
3310	Transportation	\$ 9
6010	Office and Administration	\$ 2,675
6020	Office Supplies	\$ 10
6030	Lease	\$ 41,740
	<b>Total</b>	<b>\$536,921</b>

- e. Increase appropriation in Fund 100/10, Account No. 1010, Salaries – General for CAO staffing costs - \$128,885.
3. 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, and authorize the Controller to implement these instructions; and
4. INSTRUCT the EWDD to include the status of funds for bond administration and planning by project area in each semi-annual report to the Bond Oversight Committee, and in each BOC transmittal regarding proposed Excess Bond Proceeds expenditures.

### **FISCAL IMPACT STATEMENT**

There is no General Fund impact.. The recommended actions will be funded with the remaining \$4.6 million of CRA/LA's non-housing Excess Bond Proceeds over the next 9 years which is less than 15 percent of the eligible taxable EBP. EWDD's recommendations comply with the restrictions on use as prescribed by the Bond Spending Plan while maintaining a fund reserve.

### **BACKGROUND**

The EWDD was tasked with accounting, budget evaluation, project management, contracting, reporting and monitoring under the CRA/LA EBP administration framework which was adopted by Council on July 1, 2015 (C.F. 14-1174). To perform this work, EWDD continues to require the expertise of existing staff in its Economic Development, Financial Management, Administrative Services and Information Technology Divisions to coordinate the overall programmatic and operational efforts. The EWDD is not seeking any new position authorities for 2016-2017.

During the program set up phase in Year 1 (2015-16), the EBP administrative and planning responsibilities within EWDD were accomplished by an existing Industrial and Commercial Finance Officer and a Management Analyst to oversee/manage the program administration. Additional functions were spread across multiple positions in the Financial Management, Contracts and Executive divisions, resulting in approximately 3 total full-time equivalent employees' time being charged to the CRA/LA EBP.

Since July 31, 2015, sixteen (16) project related motions totaling \$22.1 million (26.3% of total EBP) have been initially introduced and adopted by Council. Ten (10) of those motions were approved by BOC and have had final approval by Council, totaling an amount of \$12.3 million (14.6% of EBP). The Council District initiated motions sought the use of bond proceeds from ten (10) redevelopment project areas encompassing ten (10) Council Districts. All of the requests qualify under the Bond Spending Plan's eligibility criteria.

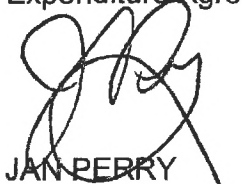
MOTION RECAP										
#	CD	Council File	Eligible Activity	Initial Council Action			BOC Approval		Final Council Approval	
				Introduction Date	Adoption Date	Amount	Date	Amount	Date	Amount
1	1	14-1174-S1	Affordable Housing	7/31/15	9/22/15	\$ 9,100,000	11/19/15	\$ 7,600,000	3/15/16	\$ 7,600,000
2	7	14-1174-S2	Planning: Pacomia (VEDC)	9/22/15	10/30/15	\$ 90,000	11/19/15	\$ 90,000	1/20/16	\$ 90,000
3	All	14-1174-S3	FY15/16 Administrative Appropriation	8/29/14	8/29/14	\$ 854,474	8/18/15	\$ 854,474	11/10/15	\$ 854,474
4	14	14-1174-S4	Public / Infrastructure Improvement: Whittier Blvd.	10/16/15	1/20/16	\$ 1,000,000	2/25/16	\$ 1,000,000	3/30/16	\$ 1,000,000
5	3	14-1174-S5	Planning: Reseda/ Canoga Park	12/16/15	1/13/16	\$ 100,000	1/28/16	\$ 50,000	3/23/16	\$ 51,500
6	15	14-1406	Public / Infrastructure Improvement: Watts Civic Center	10/15/14	5/5/15	Not Specified	N/A	N/A	N/A	Superseded by CF:14-1408-S1
7	15	14-1408-S1	Public / Infrastructure Improvement: Compton Ave building acquisition	8/18/15	9/16/15	\$ 188,746	2/25/16	\$ 184,946	3/23/16	\$ 184,946
8	7	14-1174-S7	Public / Infrastructure Improvement: Van Nuys - Laurel Canyon	4/12/16	4/19/16	\$ 162,078	5/26/16	\$ 162,078	6/21/16	\$ 162,078
9	13	14-1174-S8	Public / Infrastructure Improvement: LA Beautification	4/15/16	4/22/16	\$ 1,896,988	5/26/16	\$ 1,871,370	6/21/16	\$ 1,871,370
10	4	14-1174-S10	Public / Infrastructure Improvement: Western Ave.	6/10/16	6/17/16	\$ 400,000	7/28/16	\$ 400,000	9/21/16	\$ 400,000
11	8	14-1174-S11	Planning: Crenshaw (LAEDC)	6/24/16	7/1/16	\$ 30,000	7/28/16	\$ 30,000	9/21/16	\$ 30,000
<b>Subtotal Council Approved Projects</b>						<b>13,322,266</b>		<b>12,242,568</b>		<b>12,244,358</b>
12	10	14-1174-S9	Community Facility / Open Space: Koreatown Library	5/11/16	6/1/16	\$ 3,000,000				
13	7	14-1174-S12	Public / Infrastructure Improvement: Bradley Green Alley	6/24/16	7/1/16	\$ 4,000,000				
14	8	14-1174-S13	Planning: Crenshaw (RAW Intl.)	8/5/16	8/30/16	\$ 119,000				
15	8	14-1174-S14	Planning: Crenshaw (Ross)	8/19/16	8/26/16	\$ 6,000				
16	13	14-1174-S15	Business Assistance: Thai Town Market	9/6/16	9/13/16	1,200,000.00				
<b>Subtotal Council Approved Motions</b>						<b>8,335,000</b>				
<b>Total</b>						<b>\$ 22,147,266</b>		<b>\$ 12,242,568</b>		<b>\$ 12,264,358</b>

In accordance with the Bond Expenditure Agreement, EWDD has prepared 3 semi-annual and 6 quarterly reports for the CRA/LA Bond Oversight Board along with monthly status update reports to the BOC.

As the 5-year project earmarking window shrinks, the sense of urgency sharpens resulting in increased volume, and projects are moving towards implementation, EWDD's focus is on coordinating and orchestrating efforts amongst all divisions within EWDD, CAO, CLA, Council Offices, other departments, stakeholders, consultants and contractors to carry out the intent of the motions. Evolving duties include managing covenant compliance, scopes of work, budgets, disbursements, outreach and the preparation and execution of contracts. EWDD expects to require and maintain the approved Year 1 (2015-16) staffing level of \$744,000 to handle the increased workload for fiscal year 2016-2017.

EWDD's proposed budget anticipates the utilization of limited consultant services, on an as-needed basis, to assist in any program audits, planning, grant solicitation, project evaluation or preparation for expenditure, including California Environmental Quality Act (CEQA) review.

The 2016-2017 proposed budget in the amount of \$1,001,448 consists of Salaries (general/as-needed/overtime), Lease, Consultant Services and Office and Administration. This budget aligns with the anticipated and actual workload required to conduct the planning, administrative, compliance monitoring and reporting functions for project implementation and adhere to the CRA/LA Bond Spending Plan and the Bond Expenditure Agreement.



JAN PERRY  
General Manager

JP:SH:MB:MMS:RBV

Attachments – A: EWDD FY 2016-2017 Proposed Budget for the CRA/LA Excess Bond Proceeds



## Attachment A

## EWDD FY 2016-2017 Proposed Budget for the CRA/LA Excess Bond Proceeds

<b>FY 2016-17 EWDD-CRA/LA TOTAL GASP &amp; DIRECT EXPENDITURES (FUND 100)</b>		
<b>Account</b>	<b>Account Name</b>	<b>FY 2016-17</b>
1010	Salaries - General	378,306
1070	Salaries - As Needed	838
1090	Salaries - Overtime	42
	<b>Sub-Total</b>	<b>379,186</b>
2120	Printing and Binding	36
2130	Travel	87
3040	Contractual Services	113,178
3310	Transportation	9
6010	Office and Administration	26,75
6020	Office Supplies	10
6030	Lease	41,740
	<b>Sub-Total</b>	<b>157,735</b>
Salaries-General	Related Costs: Fringe @ 39.80%	150,566
Salaries-Cent. Svcs.	Related Costs: Central Svcs @ 14.89%	56,330
Salaries-As Needed	Related Costs: Fringe/CS @ 21.88%	184
	<b>Sub-Total</b>	<b>207,079</b>
	<b>TOTAL</b>	<b>744,000</b>

	<b>Classification</b>	<b>EWDD Administration</b>	
		<b>FTE</b>	<b>Annual Salary</b>
1	Industrial and Commercial Finance Officer II (EDD)	1.00	\$ 141,775
2	Management Analyst II (EDD)	1.00	\$ 98,073
3	Administrative Clerk (EDD)	0.10	\$ 5,241
4	Senior Management Analyst II (Contracts)	0.02	\$ 2,870
5	Management Analyst II (Contracts)	0.05	\$ 4,904
6	Management Analyst II (FMD)	0.25	\$ 24,518
7	Accounting Clerk (FMD)	0.25	\$ 17,085
8	Principal Accountant II (FMD)	0.15	\$ 17,605
9	Fiscal Systems Specialist II (FMD)	0.05	\$ 7,176
10	Other: ED, Contracts, and Fiscal Management	0.23	\$ 28,263
11	Other: Executive Management, Payroll, Technology	0.61	\$ 30,451
	<b>TOTAL</b>	<b>3.71</b>	<b>\$ 377,961</b>