

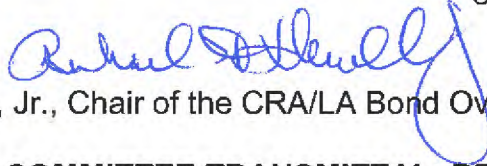
REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 7, 2018

CAO File No. 0111-31341-0000
Council File No. 14-1174- S24
Council District: 3

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 COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$500,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE RESEDA/CANOGA PARK PROJECT AREA (TAX-EXEMPT SERIES 2010-E) FOR THE SHERMAN WAY STREETScape DESIGN PHASE I PROJECT**

RECOMMENDATIONS

That the Council, subject to approval by the Mayor,

1. APPROVE up to \$500,000 in Tax-Exempt CRA/LA Excess Non-Housing Bond Proceeds available to Council District 3 (CD 3) from the Reseda/Canoga Park Redevelopment Project Area (Project Area), to be utilized for the Sherman Way Streetscape Design Phase I Project (Project);
2. AUTHORIZE the Department of Transportation (LADOT) to be the implementing department, and to expend funds up to \$500,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9PN, Reseda/Canoga Park Tax-Exempt Series 2010-E for the Project upon proper documentation and satisfactory review by the EWDD;
3. INSTRUCT the LADOT to negotiate, prepare, execute and encumber a contract with the selected respondent from the task order solicitation (TOS) for the Project no later than December 31, 2019;
4. INSTRUCT the LADOT to expend the CRA/LA Excess Non-Housing Bond Proceeds appropriation no later than December 31, 2024;
5. DIRECT the LADOT to report on its work accomplishments and fund expenditures to the Office of the City Administrator Officer (CAO) on a quarterly basis;
6. AUTHORIZE the Controller, subject to the availability of funds and a duly executed and encumbered contract between LADOT and the selected respondent, to provide LADOT with access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to the Project; and

7. AUTHORIZE the General Manager of Economic Workforce Development Department (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 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. Adoption of the below referenced revisions and recommendations would authorize LADOT to utilize up to \$500,000 in CRA/LA Excess Non-Housing Bond Proceeds from the Reseda/Canoga Park Project Area (Tax-Exempt Series 2010-E) for the Sherman Way Streetscape Design Build Task Order Solicitation (TOS) Project.

EWDD ANALYSIS

The committee amended the final section of the EWDD Analysis on page four to read as follows:

The LADOT will develop, in consultation with CD 3, a contract with the successful respondent. Funding for the contract must be encumbered by LADOT no later than December 31, 2019 with EBP appropriation fully expended no later than December 31, 2024. All deliverables will be submitted by LADOT to EWDD with a copy to CD 3. The LADOT will report its work accomplishments and funds expended to EWDD on a quarterly basis for regular reporting to the BOC and Mayor.

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 Reseda/Canoga Park Project Area which will benefit the affected taxing entities by improving the public right-of-way to promote economic development, improve safety, and foster greater use of multi-modal transportation options. The construction of public infrastructure improvements will allow for greater social equity by increasing mobility and access for those that do not own personal vehicles. 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.

RHL:SJC:15180117

Attachment – EWDD report dated May 25, 2018

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

JAN PERRY
GENERAL MANAGER

Item 6

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

May 25, 2018

Council File: 14-1174-S24
Council District No.: 3
Contact Persons & Extensions:
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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 COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$500,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE RESEDA/CANOGA PARK PROJECT AREA (TAX-EXEMPT SERIES 2010-E) FOR THE SHERMAN WAY STREETScape DESIGN PHASE I PROJECT

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 \$500,000 in Tax-Exempt CRA/LA Excess Non-Housing Bond Proceeds available to Council District 3 from the Reseda/Canoga Park Redevelopment Project Area (Project Area), to be utilized for the Sherman Way Streetscape Design Phase I Project (Project);
2. AUTHORIZE the Department of Transportation (LADOT) to be the implementing department, and to expend funds up to \$500,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9PN, Reseda/Canoga Park Tax-Exempt Series 2010-E for the Project upon proper documentation and satisfactory review by the EWDD;

3. INSTRUCT the LADOT to negotiate, prepare, execute and encumber a contract with the selected respondent from the task order solicitation (TOS) for the Project no later than December 31, 2019;
4. INSTRUCT the LADOT to expend the CRA/LA Excess Non-Housing Bond Proceeds appropriation no later than December 31, 2024;
5. DIRECT the LADOT to report on its work accomplishments and fund expenditures to the Office of the City Administrator Officer (CAO) on a quarterly basis;
6. AUTHORIZE the Controller, subject to the availability of funds and a duly executed and encumbered contract between LADOT and the selected respondent, to provide LADOT with access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to the Project; and
7. 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 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 3 Motion (Blumenfield-Price) which was adopted by Council on June 30, 2017 (C.F. 14-1174-S24).

This transmittal recommends that up to \$500,000 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) in the Project Area within CD 3 be appropriated to the LADOT to issue, complete and fund a task order solicitation (TOS) for technical design of streetscape improvements along Sherman Way. Streetscape improvements and Sherman Way Improvements e.g. Great Streets Program are identified as potential projects in the Project Area's Bond Spending Plan (BSP) that was adopted by Council on June 24, 2015 (C.F. 14-1174). Sufficient funds for this purpose are available from CD 3's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in Project Area available to CD 3 was \$20,984,713. However, after the administrative appropriation of 16%, or \$1,977,634, from taxable EBP, there remained a combined \$19,007,079 in the Project Area available to CD 3. Council Districts 3 and 12 recently effectuated an exchange of AB 1290 in CD 3 for all of CD 12's EBP in the Project Area. The exchange diverted an additional \$2,098,471 EBP (\$862,450 tax-exempt and \$1,236,021 taxable) into CD 3 before the 16%, or \$197,763, taxable administrative appropriations. CD 3 now controls 99% of the Project Area with a net new EBP of \$20,907,787. This proposed Phase I \$500,000 expenditure with tax-exempt EBP, along with 8 other Motions approved with taxable and tax-exempt appropriations, will leave CD 3 with \$1,852,839 in taxable, and \$2,706,947 in tax-exempt EBP, for a total remaining EBP of \$4,559,786 in the Project Area.

BACKGROUND

A CD 3 Motion (C.F. 14-1174-S24), approved by Council on June 30, 2017, seeks to appropriate up to \$2,990,000 in tax-exempt EBP within the Project Area to implement streetscape improvements along Sherman Way and related contractual services with the Los Angeles Neighborhood Initiative that are consistent with the Sherman Way Conceptual Plan. However, the City Attorney has opined that procurement is required to select a successful respondent(s) for the Sherman Way streetscape improvements. Therefore, the Council Office is initiating the necessary steps for an appropriate department to release a Request for Proposal to select a contractor for the Project. In order for Project to begin, the LADOT needs to initiate a TOS for the design phase. The request is therefore bifurcated into an initial Phase I with an immediate request of \$500,000 to facilitate the TOS. CD 3 and BOC staff will return to the BOC for remainder of the Motion request when development details are available.

The EWDD has met and consulted with CD 3 and LADOT regarding Project and scope of work. LADOT will serve as the lead department overseeing contract development and completion of Project.

EWDD ANALYSIS

The purpose of conducting a TOS is to hire a consultant to design streetscape improvements along the Sherman Way corridor in Reseda, generally between Wilbur and Lindley Avenues. The tasks requested by this TOS will build upon an existing Sherman Way Conceptual Plan to develop a final design, creating final engineering and construction documents for project implementation, and developing cost estimates to guide decisions about possible phased implementation.

The overall project will consist of 2 development stages with their respective estimated budgets shown below.

Phase 1: TOS for Technical Design \$500,000

The anticipated scope of work will consist of three components:

1. Technical design assistance
2. Civil engineering
3. Community outreach

Technical design assistance entails multiple project elements, including design of bikeways, parking, transit stops and other components of roadway configuration in accordance with City and LADOT standards, landscape design, aesthetic design of street furniture, wayfinding, public art etc.

Civil engineering of concrete work (including curb ramps and curb extensions), geometric and signal design, any required plumbing, electrical or other work, is required to create final engineering and construction documents.

Community outreach includes communication with relevant stakeholders and the general public by providing presentations and informational materials.

LADOT estimates a Phase I Budget not to exceed \$500,000 as follows:

\$100,000 LADOT Technical Staffing Cost
\$ 50,000 Project Management
\$ 10,000 Materials Review
\$100,000 Conceptual Design
\$ 30,000 Data Collection
\$110,000 Final Design Development
\$ 30,000 Final Design/Review/Quality Assurance & Control
\$ 50,000 Community Outreach Staffing
\$ 20,000 Graphics Production
\$500,000 Total Phase I Cost

Phase I TOS assignment is expected to begin upon contract execution, and will be completed by December 2018.

Phase 2: Construction and implementation of Phase I Technical Design \$2,490,000

The team will return to the Bond Oversight Committee for Phase 2 consideration when all development elements are available.

The LADOT will develop, in consultation with CD 3, a contract with the successful respondent. Funding for the contract must be encumbered by LADOT no later than December 31, 2019 with EBP appropriation fully expended no later than December 31, 2024. All deliverables will be submitted by LADOT to EWDD with a copy to CD 3. CD 3's review and written approval of the deliverables is required before payments can be made.

The LADOT will report its work accomplishments and funds expended to the CAO on a quarterly basis for regular reporting to the BOC and Mayor.

COMMUNITY BENEFIT

The Project will provide community benefits by improving the public right-of-way to promote economic development, improve safety, and foster greater use of multi-modal transportation options. The improvements will allow greater social equity by increasing mobility and access for those that do not own personal vehicles. Safety will be enhanced for pedestrians and bicyclists with additional amenities. And finally, enhanced connectivity, safety, and access along the commercial corridor will promote business and economic development for property owners and business operators alike.

ENVIRONMENTAL REVIEW

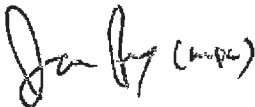
The Sherman Way Streetscape Design Phase I Project is categorically exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (c) of the State CEQA Guidelines.

CAO COVENANT REVIEW

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. It is recommended that up to \$500,000 in tax-exempt EBP (Bond Series 2010-E) from the Project Area be appropriated for the purposes outlined 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 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.

A handwritten signature in black ink, appearing to read "Jan Perry" with a circled "M.P." to the right.

JAN PERRY
General Manager

JP:SH:DH:MMS:AAC

ATTACHMENT: Motion (Blumenfield-Price) C. F. 11-1174-S24

NOTES

The communities of Reseda and Canoga Park contain historic central business districts that have, over the years, seen significant disinvestment. The former Community Redevelopment Agency of the City of Los Angeles established the Reseda/Canoga Park Redevelopment Project Area covering portions of Reseda, Winnetka, and Canoga Park to provide for and facilitate the repair, restoration, demolition and/or replacement of property, areas, or facilities damaged as a result of the 1994 Northridge Earthquake. Through an exhaustive community-based process, a vision has been identified for the revitalization of the communities in the Reseda/Canoga Park Redevelopment Project Area. Councilmember Bob Blumenfield has transformed this vision into the multi-front West Valley Improvement Plan initiative. This initiative is a ten-point plan of improvements and amenities throughout the area's commercial corridors; a reinvestment in these historic communities to help them attain their former glory as destinations for commerce, art, and culture.

The community of Reseda contains a highly active central business district along Sherman Way that is home to a broad variety of small businesses between Wilbur and Lindley Avenue. Sherman Way experiences a high volume of bus, car, bicycle and pedestrian traffic on a daily basis and commercial development has been steadily increasing over the years through a large amount of public and private investment. To encourage continued economic growth, the City, in partnership with Los Angeles Neighborhood Initiative (LANI), developed the Sherman Way Conceptual Plan which includes streetscape and facade improvement plans focused on improving the multimodal user experience, as well as emphasizes strategies that promote revitalization and support of the area's numerous small businesses while also attracting new development and investment in the area. The Conceptual Plan document is meant to serve as a tool for securing funding for future design, construction of improvements and implementation of revitalization strategies aimed at promoting economic growth and vitality such as sidewalk improvements, transit stop amenities, facade design guidelines, and bike lanes or sharrows. Funding is now needed to begin implementation of those improvements.

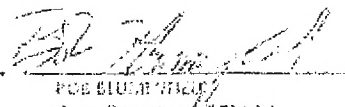
In accordance with policies adopted by Council (C.F. 14-1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable committee with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable CRA/LA Excess Bond Proceeds towards the implementation of streetscape improvements along Sherman Way in the Reseda/Canoga Park Redevelopment Project Area is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that tax-exempt CRA/LA Excess Bond Proceeds available to Council District 3 in an amount not to exceed \$2,990,000 from the Reseda/Canoga Park Redevelopment Project Area be utilized by the Bureau of Engineering and City Clerk to implement streetscape improvements along Sherman Way and related contractual services with Los Angeles Neighborhood Initiative consistent with the Sherman Way Conceptual Plan and within the boundaries of the Reseda/Canoga Park Redevelopment Project Area.



I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Bureau of Engineering, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate tax-exempt CRA/LA Excess Bond Proceeds in an amount not to exceed \$2,990,000 to implement streetscape improvements along Sherman Way and related contractual services with Los Angeles Neighborhood Initiative consistent with the Sherman Way Conceptual Plan as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Reseda/Canoga Park Redevelopment Project Area.

PRESENTED BY:



BOB BLUMENFIELD
Councilmember 3rd District

SECONDED BY: