

TRANSMITTAL

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To:
Council

DATE
01-18-19

COUNCIL FILE NO.
14-1174-S43

From:
CRA/LA Bond Oversight Committee

COUNCIL DISTRICT
8

At its Special Meeting of January 17, 2019, the CRA/LA Bond Oversight Committee considered the attached Economic and Workforce Development Department report, amended Recommendation No. 4 to delete the \$8,000 limit for the environmental work and instructed staff to transmit to Council for consideration. Council approval of the recommendations will authorize the Bureau of Engineering to be the implementing department and the Controller to appropriate up to \$1,234,138, plus all earned interest in CRA/LA Excess Non-Housing Bond Proceeds from the Crenshaw Slauson Project Area (Taxable Series 2002-A and 2007B) to the Destination Crenshaw Placemaking and Streetscape Improvements Project, under the terms and conditions substantially outlined in the report.

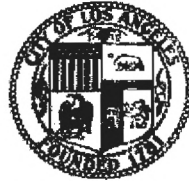
Fiscal Impact Statement: There is no impact on the City's General Fund from the proposed appropriation of \$1,234,138 in CRA/LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174 and 14-1174-S36). Said transfers have been deposited with the Office of the Controller.



Richard H. Lewellyn, Jr.
City Administrative Officer
Chair, CRA/LA Bond Oversight Committee

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGER

January 15, 2019

Council File:14-1174-S43
Council District No.: 8
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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 \$1,234,138 PLUS ALL EARNED INTEREST IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE CRENSHAW SLAUSON PROJECT AREA (TAXABLE SERIES 2002A AND 2007B) FOR THE DESTINATION CRENSHAW PLACEMAKING AND STREETScape IMPROVEMENT PROJECT

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

RECOMMENDATIONS

The Interim 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. FIND that the action of appropriating and withholding expenditure of funds for the Project pending the completion, review and consideration of planning and environmental documents related to the Project is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) because it merely creates a funding mechanism or other government fiscal activity that does not commit the City to a project that may result in a potentially significant impact on the environment, and that preparing preliminary planning and environmental documents is not a project pursuant to CEQA Guidelines Section 15378(b)(5) because it is an administrative activity that will not result in physical changes in the environment;

2. AUTHORIZE the Department of Public Works, Bureau of Engineering (BOE) to be the implementing department for the Destination Crenshaw Placemaking and Streetscape Improvement Project (Project);
3. AUTHORIZE the Controller, subject to the requirements below and the availability of funds and duly executed and encumbered contract(s), to expend up to \$1,234,138 plus all earned interests from the CRA/LA Excess Non-Housing Bond Proceeds (EBP) Fund No. 57D, Account No. 22L9DT, Crenshaw Slauson Taxable Series 2002A and 2007B, for activities related to the Project upon presentation of proper documentation from the BOE and satisfactory review by the EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
4. AUTHORIZE the BOE to perform limited preliminary planning as may be necessary to conduct the environmental review for the Project in an amount not to exceed \$8,000 from the above-noted funds appropriated to the Project;
5. DIRECT the BOE to withhold expending, or committing to expend, any of the remainder of the above-noted funds appropriated to the Project until all of the following have occurred:
 - a. BOE has completed the preliminary planning documents and environmental review documents;
 - b. The City has complied with the requirements of the California Environmental Quality Act (CEQA) with respect to the Project, including obtaining any necessary CEQA clearances; and
 - c. The Board of Public Works (BPW) has considered and approved the Project for expenditure of the remaining funds;
6. DIRECT the BOE to report on its work accomplishments to the Office of the City Administrator Officer (CAO), and fund expenditures to the EWDD, on a quarterly and as-needed basis; and
7. AUTHORIZE the Interim 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 Council District 8 (CD 8) Motion (Harris-Dawson-Wesson) which was adopted by Council on September 7, 2018 (C.F. 14-1174-S43).

The Motion requests that all of the remaining taxable EBP including all interest earnings in the Project Area within CD 8 be appropriated to BOE to oversee the development of placemaking and streetscape improvements along Crenshaw Boulevard. Streetscape improvements are identified as a potential project 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 8's portion of EBP in this Project Area.

The original taxable EBP in the Project Area available to CD 8 was \$1,626,682. After the mandated 16%, or \$260,269, in taxable EBP allocated for bond administration, there remained \$1,366,413 in the Project Area available to CD 8. This Motion's proposed \$1,234,138 taxable and earned interest appropriation, along with 2 completed projects using taxable EBP, will exhaust all of CD 8's taxable EBP in the Project Area for a remaining available balance of \$ -0-.

EWDD ANALYSIS

A CD 8 Motion (C.F. 14-1174-S43), approved by Council on September 7, 2018, sought to appropriate all remaining taxable EBP including any earned interest from the Project Area be utilized by BOE to fund and contract engineering and landscape architecture services related to the development of an open-air museum street improvement along Crenshaw Boulevard. between West 60th Street and West Vernon Avenue. It has been clarified that the development is for a placemaking and street improvement project within the general project area boundary along Crenshaw Boulevard. between West 52nd Street and West 60th Street.

The Project, aptly named Destination Crenshaw, is a community-inspired streetscape improvement design project that aspires to highlight the contribution of Black Los Angeles, and to increase investments into the current day heart of the Black Los Angeles community. The objective of the Project is to create and install 1.1 miles of placemaking and streetscape improvements along Crenshaw Boulevard. This linear Project will flank the new Crenshaw/Los Angeles Airport (LAX) rail line in the Hyde Park neighborhood, and serve as a gateway to the City for riders. Project will be the first of its kind in Los Angeles highlighting the cultural, political, and historical importance of African Americans in Los Angeles. The vision for Destination Crenshaw is to design a streetscape improvement project that memorializes and celebrates the history and culture of African Americans in Los Angeles. The Project was developed through a series of stakeholder meetings at block clubs, neighborhood councils, and design workshops with local students and the Destination Crenshaw Advisory Council. Residents consistently expressed concerns about changes resulting from the Crenshaw/LAX rail line construction, and their desire for cultural placemaking and infrastructure improvements that honors the community's history on Crenshaw Boulevard.

There are two (2) design phases for the Project which carry a total cost of \$2,818,000. The non-profit 501(c)(3) corporation, also named Destination Crenshaw, is managing the Project and providing funding for the planning studies. Destination Crenshaw is absorbing 100% of the cost of Phase 1, and will cover the (\$100,191) Phase 2 funding shortfall not covered by the EBP plus accrued interest through September 30, 2018. Their commitment letter dated December 4, 2018 is on file with EWDD. Their total contribution towards the two (2) design phases will total approximately \$1,523,191.

- Phase 1 Programming and Visioning: Concept and corridor analysis
Cost: \$1,264,000
This phase started in October 2017, and was completed in March 2018.
- Phase 2 Design, Construction and CEQA Documents: Design, landscape and architecture, surveying, civil and structural engineering, project management and CEQA clearance.
Cost: \$1,554,000
This phase commenced in March 2018, and will finish in March 2019.
Two (2) elements (design and surveying) for \$159,000 have completed already, therefore leaving a funding need of \$1,395,000 from the EBP.

The Project scope of work entails streetscape design and construction documentation as well as structural and civil engineering services between West 52nd and West 60th Streets with cost breakdown as follows:

Tasks	Budget
Architecture and Design	\$ 450,000
Civil Engineering and Design	\$ 426,000
Structural Engineering and Design	\$ 385,000
Project Management Fees	\$ 126,000
CEQA Clearance	\$ 8,000
Total	\$ 1,395,000

The EWDD has met and consulted with CD 8 and BOE regarding the Project and scope of work. BOE will serve as the lead department overseeing the consultant(s) selection, and BPW approval and contract execution/encumbrance through completion of Project. Once total project cost is established, and funding is secured and approved, construction on Project is expected to begin in March 2019 lasting through March 2020 with its opening planned to coincide with the new Crenshaw/LAX rail line.

The BOE will develop, in consultation with CD 8, contracts with consultant(s) which must be executed and encumbered no later than September 30, 2019. The EBP appropriation must be fully expended no later than September 30, 2024. The City will review and consider approving the Project pursuant to this timeline. Deliverables and/or activity reports showing percentages of completion must accompany BOE's signed off invoices which shall be submitted to the EWDD. Disbursements will be authorized pursuant to receipt and satisfactory review by the EWDD to ensure compliance with bond covenants and the approved spending categories outlined in this transmittal.

The BOE will report its work accomplishments to the CAO, and funds expended to the EWDD, on a quarterly and as needed basis for their respective reports to the BOC and Mayor.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits to the affected taxing entities in the Crenshaw Slauson Project Area by improving the public right-of-way to promote economic development, improve safety, and enhance the appearance of streets along the commercial corridor. Crenshaw Boulevard has endured a half century of disinvestment; however, it is now receiving \$75 million of private investment. The Project will beautify Crenshaw Boulevard with new streetscape improvements that facilitates and provides the corridor with safety and a walkable community to access transit and other points of interest. The Project will also add eleven (11) pocket parks and parklets with over 30,000 square feet of new green space, coupled with 822 street trees that will be planted by the Metropolitan Transit Authority. Together they will bolster and transform the community's ecosystem, and rebuild the commercial corridor's urban canopy.

ENVIRONMENTAL REVIEW

The recommended actions are not considered a "project" pursuant to CEQA. Consistent with CEQA Guidelines Section 15378(b)(4), approving the appropriation of funds for the Project and concurrently withholding any expenditure of those funds pending the completion, review, and consideration of planning and environmental documents and consideration of whether or not to approve the Project, is not a project. Such actions are intended to only create a funding mechanism or other government fiscal activity that does not commit to a project that may result in a potentially significant impact on the environment. Instead, the funds would be made available to the Project, similar to other regular government budgeting activities. But, just as such occurs with other City budgeting procedures, no construction of the Project will occur until the City has complied with CEQA (including the preparation and consideration of an environmental review document, if needed), and until the BPW has ultimately reviewed and determined whether or not to approve moving forward with, and expending the funds on, the Project.

Accordingly, after preparing preliminary planning and environmental documents, BOE's expenditure of the remainder of the funds will not occur until all of the following have occurred: (1) BOE has completed the preliminary planning and environmental review documents; (2) the City has complied with the requirements of the CEQA with respect to the Project, including obtaining any necessary CEQA clearances prior to final consideration and approval of the Project by the BPW; (3) and the BPW has considered and approved the Project. This process is intended to ensure compliance with CEQA by evaluating and considering the environmental impacts before deciding whether to proceed with the Project. If the BPW ultimately determines not to proceed with the Project, the remaining funds will not be used on the Project.

Also, consistent with CEQA Guidelines Section 15378(b)(5), preparing preliminary planning and environmental documents is not a project pursuant to CEQA, because it is only an administrative activity that will not result in physical changes in the environment. Preparing such preliminary documents does not commit the City to completing the Project. Rather, such documents merely facilitate assisting the BPW


with evaluating whether the Project will potentially impact the environment when it considers whether to approve the Project.

CAO COVENANT REVIEW

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

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 and 14-1174-S36). Said Transfers have been deposited with the Office of the Controller.



JOHN L. REAMER, JR.
Interim General Manager

JLR:SH:DH:MMS

ATTACHMENT : Motion (Harris-Dawson-Wesson) C. F. 14-1174-S43

MOTION ECONOMIC DEVELOPMENT

The City of Los Angeles has long shown a commitment to making works of art available and accessible to the public. Council District 8 is proposing the creation of an open-air linear street museum along a 1.1-mile long stretch of Crenshaw Boulevard between West 60th Street and West Vernon Avenue. The linear museum would flank the new Crenshaw/Los Angeles Airport (LAX) Rail Line in the Hyde Park neighborhood and serve as a gateway to the City of Los Angeles for riders from across the globe. The project is envisioned as the first outdoor project of its kind in Los Angeles that strategically uses an iconic city street name to anchor and provide the context for public artwork and streetscape design. It would formally establish and memorialize an African American neighborhood, and set the tone for revitalization of the community.

The project scope includes the planning, development, and construction of the museum enhancements, streetscape right-of-way, surface parking lots, pocket parks, and enhanced bike lane demarcations. Project funding is needed to assist with civil and structural engineering services along with landscape architecture services during the planning phase of the project that would be overseen by the Bureau of Engineering.

To fund the portion of the project listed above, Council District 8 would like to allocate taxable CRA/LA Excess Bond Proceeds from the Crenshaw Slauson Redevelopment Project Area that can help fund the Streetscape Improvements project. 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 a streetscape improvement project in the Crenshaw Slauson Redevelopment Project Area is identified as eligible expenses in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that all remaining taxable CRA/LA Excess Bond Proceeds available to Council District 8, including any earned interest, from the Crenshaw Slauson Redevelopment Project Area be utilized by the Bureau of Engineering to fund and contract engineering and landscape architecture services related to the development of an open-air museum street improvement along Crenshaw Boulevard between West 60th Street and West Vernon Avenue.

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 all taxable CRA/LA Excess Bond Proceeds available to Council District 8, including any earned interest, for the purpose of facilitating streetscape improvements along Crenshaw Boulevard as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Crenshaw Slauson Redevelopment Project Area.

PRESENTED BY 

MARQUEECE HARRIS-DAWSON
Councilmember, 8th District

SECONDED BY 

ORIGINAL

JUL 03 2018

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