

JAN PERRY
GENERAL MANAGER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item 4

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

February 22, 2016

Council File:14-1174-S4
Council District No.: 14
Contact Persons & Extensions:
Meg Barclay, (213) 744-9340

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

**COMMITTEE TRANSMITTAL: REQUEST APPROVAL TO ALLOCATE \$1,000,000 IN
CRA-LA/DLA EXCESS BOND PROCEEDS FROM REDEVELOPMENT PROJECT
AREAS WITHIN COUNCIL DISTRICT 14 BE UTILIZED TO IMPROVE PUBLIC
INFRASTRUCTURE**

The General Manager of Economic and Workforce Development Department (EWDD) requests your referral of this transmittal to the appropriate Council Committee(s) and the City Council for their review and consideration.

SUMMARY

Transmitted herewith for your review, approval and further processing are recommendations pursuant to Motion (Huizar – Harris-Dawson) dated October 16, 2015 as CF 14-1174-S4. The Motion relating to the allocation of \$1,000,000 in CRA/LA non-housing Excess Bond Proceeds (EBP) available to Council District 14 (CD 14) from the Adelante Eastside Redevelopment Project Area was adopted by Council on January 20, 2016. The Motion directs that the identified funds be used for sidewalk improvements on Whittier Boulevard in CD 14 and to contract with a grant writing consultant to identify additional funds for these improvements.. These uses of funds is allowed by the Bond Spending Plan adopted by City Council on October 29, 2014 (CF 14-1174) and sufficient funds for this purpose are available from the CD14 portion of EBP in this Project Area.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Mayor and City Council:

1. APPROVE \$1,000,000 in CRA-LA/DLA Excess Bond Proceeds available to Council District 14 from the Adelante/Eastside redevelopment projects areas within the district be utilized to rehabilitate public infrastructure and undertake planning activities;

2. AUTHORIZE the Controller to transfer and appropriate \$800,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9AN - Adelente Eastside Tax Exempt (Series D), to the Department of Public Works, Bureau of Street Services (BSS) Fund No. 100, Department 86, various accounts as follows to improve sidewalk infrastructure as identified in the Bond Spending Plan for this Project Area:

Account No.	Account Name	Amount
001010	Salaries, General	\$200,000
001090	Salaries, Overtime	\$200,000
003030	Construction Expense	\$152,000
003040	Contractual Services	\$106,000
006010	Office & Administrative	\$20,000
006020	Operating Supplies	\$122,000
	TOTAL	\$800,000

3. AUTHORIZE BSS to remove and replace broken and uplifted sidewalk and perform the necessary tree trimming, tree removal, and root pruning along Whittier Boulevard from Indiana Avenue to Boyle Street;
4. TRANSFER \$200,000 from CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9AT - Adelente Eastside Taxable (Series B), to City Administrative Officer (CAO), Fund 100/10, Contractual Services, Account 3040 to fund of consultant services to assist in the grant writing for sidewalk improvement projects in this Project Area;
5. AUTHORIZE the Controller, subject to the availability of funds, to expend funds upon presentation of proper documentation and demand of the General Manager, EWDD or designee pursuant to this contract;
6. 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 CAO and authorize the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed allocation of CRA-LA/DLA Excess Bond Proceeds. 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 (CF 14-1174). Said transfer has been deposited with the Office of the Controller.

BACKGROUND

Pursuant to the dissolution of the former Community Redevelopment Agency (CRA) of the City of Los Angeles on February 1, 2012, CRA/LA, a Designated Local Authority (CRA/DLA) was established on February 3, 2012 to serve as the successor agency to the former CRA. 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 of Los Angeles (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 does contain provisions for 16% of 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 offices of the Mayor, City Administrative Officer, Chief Legislative Analyst, EWDD, Housing and Community Investment Department (HCID), and Bureau of Engineering (BOE) 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:

1. Public Infrastructure – Capital improvements to roadways, utility infrastructure, streetscapes and sidewalks;
2. Community Facilities/Open Space – Land acquisition, new construction and improvements to schools, libraries, community centers, parks, public plazas, museums, theaters;
3. Affordable Housing Projects – Land acquisition, new construction, rehabilitation of existing buildings, and preservation of affordability covenants; and
4. Business Assistance and Catalytic Commercial Development – Establishment and investment in Business Districts to create jobs, façade 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.

CD 14 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

CD 14 is entitled to \$6,493,127 in Excess Bond Proceeds over 2 project areas: Adelante Eastside and Monterey Hills. CD 14's EBP consist of \$4,618,854 in tax-exempt bond proceeds in 1 project area, and \$1,874,274 in taxable bond proceeds in all 2 project areas. The details are reflected below:

CRA Project Area	CD 14's Percentage Share of Project Area EBP	Tax-Exempt Bond Proceeds	Taxable Bond Proceeds	Total Bond Proceeds in Project Area
Adelante Eastside	98 %	\$4,618,854	\$1,823,898	\$6,442,751
Monterey Hills	100 %		\$50,376	\$50,376
TOTAL		\$4,618,854	\$1,874,274	\$6,493,127

The approved bond spending within CD 14's two project areas total \$6,624,612. The proposed bond spending within each redevelopment area does not provide a breakdown per Council District. The projects, programs and activities are broken down as follows along with the potential projects identified for each project area:

CRA Project Area	Infrastructure	Community Facilities	Affordable Housing	Business Assistance	Total Project Area Spending
Adelante Eastside	\$2,800,000	\$1,913,116		\$1,861,120	\$6,574,236
Monterey Hills		\$50,376			\$50,376
TOTAL	\$2,800,000	\$1,963,492		\$1,861,120	\$6,624,612

ANALYSIS AND RECOMMENDATIONS


CD 14's motion adopted January 20, 2016, seeks to invest \$1,000,000 in available EBP to implement public infrastructure improvements along Whittier Boulevard between Indiana Avenue and Boyle Street as well as hire a consultant to solicit grant funding that would allow for an expanded scope of improvements along the same corridor.

EWDD has consulted with CD 14 staff and BSS regarding the Motion, and the anticipated scope of work. The consultant will be selected by EWDD and CAO from a pre-qualified list in accordance with the Council-approved process for utilizing the CAO list of Asset Management Strategic Planning consultants (C.F. #12-1549-S2). EWDD and CAO will administer the procurement to identify a consultant and negotiate and execute a contract in coordination with CD 14. The authorized bond funds for consultant purposes will be used to reimburse the initial expenditure from the CAO's contractual services account. All deliverables will be submitted to CD 14 with a copy to EWDD.

The anticipated work to be performed by BSS is the removal and replacement of broken and uplifted sidewalk and the performance of necessary tree trimming, tree removal, and root pruning along Whittier Boulevard from Indiana Avenue to Boyle Street. The anticipated time frame for this work is eighteen months. BSS will report quarterly to

EWDD regarding work accomplished and funds expended so that this information will be included in the quarterly and semi-annual reports to CRA/LA.

EWDD has discussed with the CAO and concurs with the use of \$800,000 in tax exempt and \$200,000 in taxable bond proceeds for this purpose. It is recommended that \$1,000,000 in CRA/LA EBP be allocated for the purposes outlined in the motion.



JAN PERRY
General Manager

JP:SH:MB:MMS:RBV

Attachment A: Motion (Huizar – Harris-Dawson)

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MOTION

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.

Whittier Boulevard is a major commercial corridor along the southern end of Boyle Heights that connects East Los Angeles to Downtown Los Angeles. It is home to many small businesses and experiences high volumes of vehicular, pedestrian, and bicycle traffic. Aging infrastructure along Whittier Boulevard is in need of repair and many businesses and residents have expressed a desire to improve the street to make it more pedestrian friendly and safe. It is important for the City to invest in both the short and long term needs of the corridor to ensure that the street continues to thrive.

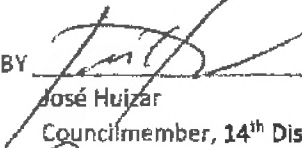
In the short term, funding is needed to repair sidewalks that may pose a danger to pedestrians. Many of the sidewalks are located next to schools and experience heavy use on a weekly basis. Repair of the sidewalks also requires large capital investment that would be burdensome on property owners. In the long term, the corridor must be redesigned to make it commuter friendly for all forms of transportation. This should be done through extensive community outreach and in pursuit of grant funding that would facilitate the improvements identified through this process. A qualified grant writing consultant would be needed to carry out this process and prepare a conceptual plan which is critical to delivering on this goal.

I THEREFORE MOVE that Excess Bond Proceeds available to Council District 14 in an amount not to exceed \$1,000,000 from the Adelante Eastside Redevelopment Project Area be utilized in part to implement public infrastructure improvements along Whittier Boulevard between Indiana Avenue and Boyle Street as well as hire a consultant to solicit grant funding that would allow for an expanded scope of improvements along the same corridor.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Council District 14, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee within 10 days to allocate Excess Bond Proceeds in an amount not to exceed \$1,000,000 for public infrastructure improvements along Whittier Boulevard between Indiana Avenue and Boyle Street as well as hire a consultant to solicit grant funding through a community-driven process to expand the scope of improvements along the same corridor as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Adelante Eastside Redevelopment Project Area.


OCT 16 2015

PRESENTED BY


José Huizar
Councilmember, 14th District

SECONDED BY



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