

TRANSMITTAL

0111-31341-0047

To: Council	DATE 7-30-18	COUNCIL FILE NO. 14-1174-S4
From: CRA/LA Bond Oversight Committee	COUNCIL DISTRICT 14	

At its regular meeting on July 26, 2018, the Community Redevelopment Agency of Los Angeles (CRA/LA) Bond Oversight Committee approved recommendations in the attached Economic and Workforce Development Department (EWDD) report, which is hereby transmitted to Council for consideration. Adoption of the report's recommendations would authorize the Bureau of Street Services to expend up to \$700,000 in CRA/LA Excess Non-Housing Bond Proceeds available to Council District 14 within the Adelante Eastside Project Area for the Whittier Boulevard Sidewalk Project.

Fiscal Impact Statement: Approval of the recommendations in this report will have no impact on the General Fund. The CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D is funded solely from two transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174).



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

RHL:JVW:SJC:15190016

Attachment

CITY OF LOS ANGELES

CALIFORNIA

JAN PERRY
GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

July 19, 2018

Council File: 14-1174-S4
Council District No.: 14
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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 BOND OVERSIGHT COMMITTEE REVIEW AND RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$700,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE ADELANTE EASTSIDE PROJECT AREA (TAX EXEMPT 2009 SERIES D) FOR THE WHITTIER BOULEVARD SIDEWALK IMPROVEMENT PROJECT; AND TO REPROGRAM \$200,000 IN TAXABLE (2005 SERIES B) FROM THE WHITTIER BOULEVARD SIDEWALK PROJECT CRA/LA EXCESS NON-HOUSING BOND PROCEEDS BACK INTO THE ADELANTE EASTSIDE PROJECT AREA.

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

RECOMMENDATIONS

The General Manager, EWDD, requests that the Bond Oversight Committee (BOC) recommend that the Council, subject to the approval of the Mayor as required:

1. **APPROVE** up to \$700,000 in Tax-Exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District 14 from the Adelante Eastside Redevelopment Project Area within the Council District be utilized for the Whittier Boulevard Sidewalk Improvement Project (Project);
2. **APPROVE** the reprogramming of \$200,000 in previously appropriated Taxable CRA/LA EBP from the Adelante Eastside Project Area for the Whittier Boulevard Sidewalk Improvement Project, and return these EBP to the Adelante Eastside Redevelopment Project Area within Council District 14;
3. **AUTHORIZE** the Controller to reprogram \$200,000 in previously appropriated

taxable CRA/LA EBP from the Adelante Eastside Project Area to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9AT, Adelante Eastside Taxable 2005 Series B;

4. AUTHORIZE the Bureau of Street Service (BSS) to be the implementing department, and to expend funds up to \$700,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9AN, Adelante Eastside Tax-Exempt 2009 Series D, for transactions related to the Project upon proper documentation and satisfactory review by the EWDD;
5. DIRECT the BSS to report on its work accomplishments and fund expenditures to the Office of the City Administrative Officer (CAO) on a quarterly basis;
6. AUTHORIZE the Controller, subject to the availability of funds, to provide the BSS access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to the Project;
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 an amending CD 14 Motion (Huizar-Harris-Dawson) which was adopted by Council on December 8, 2017 (CF 14-1174-S4).

An initial \$1,000,000 Motion and subsequent BOC recommendations were adopted by Council on March 30, 2016. The approval was for \$780,000 in tax-exempt EBP to be used on public infrastructure improvements associated with the Whittier Boulevard Sidewalk Project (Project), and \$220,000 in taxable EBP for administrative staffing charges (\$20,000) and a grant writing consultant (\$200,000). The Council Office subsequently determined that a more impactful use of the EBP would be to complete the Project which carries a total cost of \$1,500,000.

An Amending Motion, adopted by Council on December 8, 2017, sought an additional \$500,000 in taxable and tax-exempt EBP, as well as reprogramming the previously appropriated \$200,000 in taxable EBP for a combined total of \$700,000 in additional EBP to the Bureau of Street Services (BSS) to complete Project. The Council Office has since opted to use all tax-exempt EBP towards the Whittier Boulevard Sidewalk Improvement Project. The \$200,000 taxable EBP will therefore be returned to its original Fund 57D account.

The Whittier Boulevard Sidewalk Improvement Project is identified as a potential project in the Bond Spending Plan (BSP) for this Project Area. The proposed use of funds is permissible under the BSP adopted by City Council on October 29, 2014 (CF 14-1174); and sufficient funds for this purpose are available from CD 14's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in Adelante Project Area available to CD 14 was \$6,442,751 (\$4,618,854 Tax-Exempt, \$1,823,897 Taxable). However, after the taxable administrative appropriation of 16%, or \$291,823, there remained a net \$6,150,928 in the Adelante Project Area available to CD 14. The Amending Motion's proposed \$700,000 tax-exempt appropriation, along with the original Motion and 4 other motions in various processing stages, will leave CD 14 with \$493,854 in tax-exempt, and \$387,074 in taxable, EBP in the Adelante Eastside Project Area for a total of \$880,928.

BACKGROUND

The initial Motion received an appropriation of \$800,000 towards the total project cost of \$1,500,000 to provide public infrastructure improvements along Whittier Boulevard between Indiana Avenue and Boyle Street. The BSS would perform removal and replacement of broken and uplifted sidewalks, tree trimming, removal and replanting, and root pruning. There are two (2) phases to the Project with a time frame of 31 months for both phases. Phase I is to occur between January 2017 and August 2018. Phase II will start in September 2018 with completion projected for August 2019.

EWDD ANALYSIS

EWDD has consulted with CD 14 staff and BSS regarding the Motions, and the proposed scope of work, timeline and budget. The previously approved \$800,000 EBP (\$780,000 tax-exempt, \$20,000 taxable) were expended on Phase I of Project on Whittier Boulevard from Indiana Avenue to Lorena Avenue using tax-exempt EBP only. The additional \$700,000 (all tax-exempt) will be used towards Phase II of Project on Whittier Boulevard from Lorena Avenue to Boyle Avenue. The Phase II scope of work will be similar to that of Phase I over the next 12 months.

Budget for the additional \$700,000 appropriation is as follows:

Acct No.	Acct. Name	Amount
001010	Salaries - General	\$ 122,441
001090	Salaries - Overtime	\$ 470,064
003030	Construction Expense	\$ 105,038
003040	Contractual Services	\$ 2,456
	Rounding	\$ 1
	Total	\$ 700,000

Construction will occur mostly on weekends on a volunteer and overtime basis as this is not a budgeted project, and carries no staff assignment. Overtime salaries are more economical with no related costs. A concrete crew will consist of:

- One (1) each Street Services Supervisor II, equipment operator, carpenter, heavy duty truck operator and cement finisher worker;
- Two (2) maintenance and construction laborers;
- Three (3) cement finishers; and
- One (1) partial Street Services Superintendent I.

BSS will continue to report quarterly to the CAO regarding work accomplished and

funds expended so that this information can be included in the regular reports to the BOC and semi-annual reports to the Mayor. EWDD will facilitate disbursement upon receipt of BSS' approved invoices and deliverables to ensure the amounts have been expended in accordance with bond requirements as per EWDD's certification on its reports to Mayor.

BENEFITS TO THE AFFECTED TAXING ENTITY

The expenditures set forth in this report will provide community benefits in the Adelante Eastside Project Area. It will benefit the affected taxing entities by improving the public right-of-way to promote economic development, improve safety, and enhance the appearance of streets along the commercial corridor. Construction of public infrastructure improvements will allow for greater social equity by making a positive impact to the built environment while complementing other community development efforts. 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.

ENVIRONMENTAL COMPLIANCE REVIEW

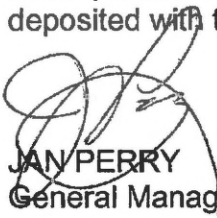
The Whittier Boulevard Sidewalk Improvement Project is categorically exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301(c) of the State CEQA Guidelines.

BOND COVENANT REVIEW

The CAO has completed its review of the original bond documents, and has found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. This Motion will utilize up to \$700,000 in tax-exempt EBP (2009 Series D) from the Adelante Eastside Project Area for the purpose as stated and amended in both Motions.

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 two 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.


JAN PERRY
General Manager

JP:SH:DH:MMS:AAC

ATTACHMENT 1: Amending Motion (Huizar-Harris-Dawson) C. F. 11-1174-S4
 2: Original Motion (Huizar-Harris-Dawson) C. F. 11-1174-S4

ATTACHMENT 1

ECONOMIC DEVELOPMENT

MOTION

On March 30, 2016, Council approved an allocation of \$1,000,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 14 from the Adelante Eastside Redevelopment Project Area to be used to rehabilitate public infrastructure and undertake planning activities in the Boyle Heights community (C.F. 14-1174-S4). Council's actions included an appropriation of \$800,000 to the Department of Public Works, Bureau of Street Services (BSS) for the public infrastructure rehabilitation work and \$200,000 to the Economic and Workforce Development Department (EWDD).

The scope of work BSS was authorized to implement consisted of capital improvements, which includes the removal and replacement of broken and uplifted sidewalks, along Whittier Boulevard from Indiana to Boyle Street. The total cost to complete this work has now been determined to be \$1,500,000.

In order to fully fund the public infrastructure work, the \$200,000 originally provided to EWDD should be reprogrammed to BSS for the sidewalk repair work. Those funds have not been spent and are available for transfer.

In addition, a supplemental allocation of both taxable and tax-exempt CRA/LA Excess Bond Proceeds in an amount not to exceed \$500,000 available to Council District 14 from the Adelante Eastside Redevelopment Project Area should be provided to BSS to assist with the cost of construction related to public improvements along Whittier Boulevard.

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.

I THEREFORE MOVE that the previous allocation of \$200,000 provided to the Economic and Workforce Development Department (Council File 14-1174-S4) be reprogrammed to the Department of Public Works, Bureau of Street Services, to implement public improvements along Whittier Boulevard from Indiana to Boyle Street;

I FURTHER MOVE that taxable and tax-exempt Excess Bond Proceeds available to Council District 14 in an amount not to exceed \$500,000 from the Adelante Eastside Redevelopment Project Area be utilized by the Department of Public Works, Bureau of Street Services, to supplement the cost to implement public improvements along Whittier Boulevard between Indiana Avenue and Boyle Street; and

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate \$700,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds, from the amounts noted above, for a total project allocation of \$1,500,000 for public improvements along Whittier Boulevard between Indiana Avenue and Boyle Street as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Adelante Eastside Redevelopment Project Area.

PRESENTED BY


JOSÉ HUIZAR

Councilmember, 14th District

SECONDED BY



OCT 24 2017

ATTACHMENT 2

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.

PRESENTED BY


José Huizar

Councilmember, 14th District

SECONDED BY

