

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the allocation of \$1,000,000 in Community Redevelopment Agency Los Angeles - Designated Local Authority (CRA-LA/DLA) excess bond proceeds from the Adelante Eastside Project Area to be utilized to improve public infrastructure.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

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

2. AUTHORIZE the Controller to:

- a. Establish new Account No. 22M186, Bureau of Street Services (BSS), within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D and transfer appropriations from the Adelante Eastside Taxable and Tax Exempt funds for the improvement of sidewalk infrastructure as identified in the Bond Spending Plan for this Project Area which is incorporated in the March 4, 2016 City Administrative Officer (CAO) report, attached to the Council File, as follows:

<u>Account:</u>	<u>Title:</u>	<u>Amount:</u>
From:		
22L9AN	Adelante Eastside Tax Exempt (Series D)	\$780,000
22L9AT	Adelante Eastside Taxable (Series)	\$20,000
	Total:	\$800,000
To:		
22M186	Bureau of Street Services	\$800,000

- b. Transfer appropriations from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22M186 entitled Bureau of Street Services for public infrastructure improvements to Fund 100/86 as follows:

<u>Account:</u>	<u>Title:</u>	<u>Amount:</u>
1010	Salaries- General	\$200,000
1090	Salaries- Overtime	200,000
3030	Construction Expense	152,000
3040	Contractual Services	106,000
6010	Office and Administrative Expense	20,000
6020	Operating Supplies	122,000
	Total:	\$800,000

3. AUTHORIZE the BSS to perform capital improvements to sidewalks which includes the removal and replacement of broken and uplifted sidewalks, tree removal and trimming, and

root pruning along Whittier Boulevard from Indiana Avenue to Boyle Street.

4. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to:
  - a. Identify, in cooperation with the Board of Public Works, a consultant from a prequalified list and execute a contract in an amount not to exceed \$200,000 to assist in the grant writing for sidewalk improvement projects in the Adelante Eastside Redevelopment Project Area, subject to Council District 14 review and approval.
  - b. Expend up to \$200,000 from CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9AT - Adelante Eastside Taxable (Series B) for consultant services under the contract detailed above in Recommendation No. 4a.
5. AUTHORIZE the Controller to transfer any potential savings from the contract detailed above in Recommendation No. 4a, upon demand from the General Manager, EWDD, or designee, to the Department of Public Works, BSS Fund No. 100, Department 86 for any potential sidewalk construction cost overruns.
6. 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 described above in Recommendation No. 4a.
7. 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: The CAO reports that 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 (Council File No.: 14-1174). Said transfer has been deposited with the Office of the Controller.

Community Impact Statement: None submitted.

Summary:

On , 2016, your Committee considered a March 4, 2016 CAO report relative to the allocation of \$1,000,000 in CRA-LA/DLA excess bond proceeds from the Adelante Eastside Project Area to be utilized to improve public infrastructure. According to the EWDD, pursuant to the dissolution of the former CRA-LA on February 1, 2012, CRA/DLA, a Designated Local Authority, 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 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.

Council also adopted a Bond Spending Plan (BSP) which was created by the offices of the Mayor, CAO, Chief Legislative Analyst, EWDD, Housing and Community Investment Department, and Bureau of Engineering 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. A detailed description is included in the March 4, 2016 CAO report, attached to the Council File.

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.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the March 4, 2016 CAO report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
KREKORIAN:	YES
MARTINEZ:	YES
HARRIS-DAWSON:	YES

ARL  
3/22/16

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**