

0111-31341-0112

TRANSMITTAL

TO Council	DATE 7-15-19	COUNCIL FILE NO. 14-1174-S50
FROM CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 2

At its Special Meeting on July 11, 2019, the CRA/LA Bond Oversight Committee approved recommendations in the attached Economic and Workforce Development Department (EWDD) report and instructed staff to transmit to Council for consideration. Council approval of the report recommendations would authorize the appropriation of up to \$769,650, plus all earned interest, in CRA/LA Excess Non-Housing Bond Proceeds from the Laurel Canyon Redevelopment Project Area (Taxable Series 2003-B and 2007-C) for the Ben Victory Green Stormwater Infrastructure Project.

Fiscal Impact Statement: There is no impact on the City's General Fund from the proposed appropriation. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from two transfers totaling 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.



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

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Item 3

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGER

July 11, 2019

Council File:14-1174-S50
Council District No.: 2
Contact Persons & Extensions:
Daisy Hernandez: (213) 744-9340

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 \$769,650 PLUS ALL EARNED INTEREST IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE LAUREL CANYON REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-B AND 2007-C) FOR THE BEN VICTORY GREEN STORMWATER INFRASTRUCTURE 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. DETERMINE that the Ben Victory Green Stormwater Infrastructure Project (Project) also known as the Area 6 of the Sun Valley/North Hollywood Greenway Project, consisting of construction and/or reconstruction of bioswales and drywell, is categorically exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Class 1(c), Existing Facilities. The Project is also exempt under the City CEQA Guidelines Article III, Section 1, Class 1, Existing Facilities, Category 3;
2. DIRECT the Department of Public Works, Bureau of Sanitation (LASAN) to file a CEQA Notice of Exemption (NOE) (Attachment 2) with the Los Angeles County Clerk upon Council approval;

3. APPROVE up to \$769,650 in taxable CRA/LA Excess Non-Housing Bond Proceeds (EBP) plus all earned interest (Interest) available to Council District (CD) 2 from the Laurel Canyon Redevelopment Project Area (Project Area) to be utilized for the Project;
4. AUTHORIZE LASAN to be the implementing department for activities related to the Project;
5. AUTHORIZE LASAN to develop, negotiate, and execute contracting documents as required to implement Project subject to the Board of Public Work's approval to perform the scope of work related to Project no later than September 30, 2019;
6. DIRECT LASAN to report on its work accomplishments to the Office of the City Administrative Officer (CAO), and fund expenditures to EWDD, on a quarterly and as-needed basis;
7. AUTHORIZE the Controller, subject to the availability of funds and duly executed and encumbered contract(s), to expend up to \$769,650 plus Interest from EBP Fund No. 57D, Account Nos. 22L9HT and 22S9HT Laurel Canyon Taxable Series 2003-B and 2007-C, for activities related to Project upon presentation of proper documentation by LASAN, and satisfactory review and approval of EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA); and
8. 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 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 2 Motion (Krekorian-Martinez) (Attachment 1) which was adopted by Council on November 6, 2018 (C.F. 14-1174-S50).

This transmittal recommends that up to \$769,650 in taxable EBP plus Interest in the Project Area within CD 2 be allocated to LASAN to implement Project. Victory Blvd. Improvements were 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 2's portion of EBP plus Interest in this Project Area.

The original taxable EBP in Project Area available to CD 2 was \$916,250. After the 16% (\$146,600) administrative allocation, \$769,650 remained available to CD 2 in Project Area. This transmittal's proposed \$769,650 in taxable EBP will completely exhaust CD 2's EBP in Project Area.

EWDD ANALYSIS

EWDD met with CD 2 and LASAN regarding the Project. LASAN will design and construct the conversion of publicly-accessible parkway near Victory Boulevard and Ben Avenue's watershed in Project Area.

LASAN's anticipated scope of work includes demolition of existing asphalt and concrete, construction of a bioswale (rain garden) and drywell system, and the addition of native plantings.

The total project cost estimate of \$2,549,694 is covered by the following sources:

Los Angeles Department of Water & Power	\$ 887,370
Proposition O Funds	\$ 849,030
CRA/LA EBP + Interest	<u>\$ 813,294</u>
Total	\$2,549,694

The proposed EBP plus Interest allocation approximating \$813,294 is sufficient to cover soft costs (\$240,000) and construction (\$573,294). The remaining \$1,736,400 project cost will be spent on hard and soft costs. Breakdown of EBP utilization is as follows:

Taxable EBP Costs Estimate

Project Management	\$ 60,000
Design Consultants	\$100,000
Construction Management	\$ 60,000
Construction Inspection	\$ 20,000
Bioswales and Drywells	\$510,000
Contingency	<u>\$ 63,294</u>
Total Taxable EBP Costs Estimate	\$813,294

Construction will commence by March 2021, and will be completed by June 2021.

Contract(s) must be executed and funds encumbered no later than September 30, 2019 with EBP allocation fully expended no later than September 30, 2024. Deliverables and/or activity reports showing percentages of completion must accompany LASAN's original signed off invoices which shall be submitted to EWDD. Disbursements will be authorized pursuant to receipt and satisfactory review by EWDD to ensure compliance with bond covenants and BEA, and that the approved spending categories and amounts adhere to those outlined in this transmittal.

LASAN will report on its work accomplishments to CAO, and funds expended to EWDD, on a quarterly and as-needed basis for their respective reports to the Bond Oversight Committee, Mayor, and CRA/LA.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The Project will improve critical infrastructure and enhance sustainability in the Project Area by replacing existing asphalt and concrete with a greener, more ecologically sensitive bioswale, drywell system, and native plantings. These improvements will

contribute to cleaner air and water, reduce the negative externalities of extreme heat, and make the area more aesthetically pleasing. Improving the area near Victory Boulevard and Ben Avenue will enhance the quality of life for people in the surrounding community, particularly those who live and walk nearby.

ENVIRONMENTAL REVIEW

The City of Los Angeles Housing and Community Investment Department and LASAN provided the environmental analysis below and NOE attachment respectively:

The Project is exempt pursuant to State CEQA Guidelines Section 15301, Class 1(c), Existing Facilities. The Project is also exempt under City's CEQA Guidelines Article III, Section 1, Class 1, Existing Facilities, Category 3. A CEQA NOE (Attachment 2) will be filed with the City Clerk and Los Angeles County Clerk upon Council adoption.

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.

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:NSH:MMS:JL

ATTACHMENTS: 1. Motion (Krekorian-Martinez) C. F. 11-1174-S50
2. CEQA Notice of Exemption (To be filed by LASAN)

MOTION ECONOMIC DEVELOPMENT

The City of Los Angeles has long shown a commitment to the safety of pedestrians. Necessary safety improvements have been identified near Victory Boulevard and Ben Avenue in Council District 2. Drainage in the area is lacking, and has been designated drainage deficient by the Bureau of Engineering. The site has a drainage area of 82 acres and is predominately an area of high-density single family residential land use. In order to alleviate the deficiency, the Bureau of Sanitation has recommended that the area have a new storm drain installed, at an estimated cost of \$1,415,250. The Bureau of Sanitation also recommends the installation of 12 drywell-rain garden systems that could capture a 5-year storm, at an estimated cost of \$750,000.

In addition to these drainage improvements, the nearby Victory Elementary School and Holy Trinity Armenian Church have requested the installation of a traffic signal at the intersection of Victory Boulevard and Ben Avenue. This traffic signal would provide additional safety for pedestrians in the area. The estimated budget for this improvement would be \$300,000.

Funds are available to Council District 2 through taxable CRA/LA Excess Bond Proceeds from the Laurel Canyon Redevelopment Project Area that can help fund the Victory Boulevard 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 Area Wide Pedestrian Improvements project in the Laurel Canyon 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 2, including any earned interest, from the Laurel Canyon Redevelopment Project Area be utilized by the Bureau of Sanitation and Department of Transportation to create street improvements near Victory Boulevard and Ben Avenue.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Department of Transportation, Bureau of Sanitation, 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 2, including any earned interest, for Area Wide Pedestrian Improvements as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Laurel Canyon Redevelopment Project Area.

PRESENTED BY Paul Krekorian
PAUL KREKORIAN
Councilmember, 2nd District

SECONDED BY [Signature]

ORIGINAL

SEP 07 2018

arw
[Signature]

COUNTY CLERK'S USE

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
ROOM 360, CITY HALL
LOS ANGELES, CALIFORNIA 90012
CALIFORNIA ENVIRONMENTAL QUALITY ACT
NOTICE OF EXEMPTION
(Article III, Section 3 - City CEQA Guidelines)

CITY CLERK'S USE

Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Hwy, Norwalk, California, pursuant to Public Resources Code Section 21152(b). Pursuant to Public Resources Code Section 21167(d), the filing of this notice starts a 35-day statute of limitations on Court challenges to the approval of the project. Failure to file the notice results in the statute of limitations being extended to 180 days.

LEAD CITY AGENCY AND ADDRESS: City of Los Angeles, c/o Bureau of Sanitation, 1149 S Broadway, Los Angeles 90015	COUNCIL DISTRICT: 2
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PROJECT TITLE: Ben Victory Green Stormwater Infrastructure Project	MAP REFERENCE: TBG 563-A2
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PROJECT LOCATION: Near Ben Avenue and Victory Blvd, North Hollywood, CA 91601

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:
The project consists of the removal of small amounts of existing asphalt and concrete in the public right of way, and construction of a bioswale (rain garden) with native plantings and drywell system. The purpose of the project is to capture, treat and infiltrate urban runoff to remove pollutants such as trash, bacteria, metals, sediments and nutrients before they reach the Los Angeles River, helping to improve water quality in the River and receiving waters. This benefits the City by helping to comply with its Municipal Separate Storm Sewer System Permit (MS4) and Clean Water Act regulations. Additionally the capture of storm water runoff will help reduce local flooding at this location. The infiltrated water will augment local groundwater supplies, helping to reduce reliance on imported water. Beneficiaries also include local businesses and pedestrians who will get public infrastructure improvements.

CONTACT PERSON Wing Tam, Assistant Division Manager	AREA CODE TELEPHONE NUMBER EXT. (213) 485-3985
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EXEMPT STATUS: (Check One)	CITY CEQA GUIDELINES	STATE CEQA GUIDELINES
<input type="checkbox"/> MINISTERIAL	Art. III, Sec. 2b	Sec. 15268
<input type="checkbox"/> DECLARED EMERGENCY	Art. III, Sec. 2a(1)	Sec. 15269 (a)
<input type="checkbox"/> EMERGENCY PROJECT	Art. III, Sec. 2a(2) & (3)	Sec. 15269 (b) & (c)
<input type="checkbox"/> GENERAL EXEMPTION	Art. III, Sec. 1	Sec. 15061 (b)(3)
<input checked="" type="checkbox"/> CATEGORICAL EXEMPTION	Art. III, Sec. 1, Class 3(4)	Sec. 15301(c)
<input type="checkbox"/> OTHER (See Public Resources Code Sec. 21080(b) and set forth state and city guidelines provision)		

JUSTIFICATION FOR PROJECT EXEMPTION: City of LA CEQA Guidelines Categorical Exemption Class 3(4) provides for the installation of new equipment and/or industrial facilities involving negligible or no expansion of the use if required for safety, health, the public convenience, or environmental control. 14 CCR § 15301 allows Categorical Exemption for existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities with negligible or no expansion of current or former use. None of the exceptions to reliance upon a CEQA exemption set forth in the State CEQA Guidelines 14 CCR § 15300.2 apply (see attached narrative).

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING

SIGNATURE: Gordon Haines	TITLE: Environmental Specialist III Watershed Protection Program	DATE: 7/3/19
FEES: \$75.00	RECEIPT NO.	REC'D BY
		DATE

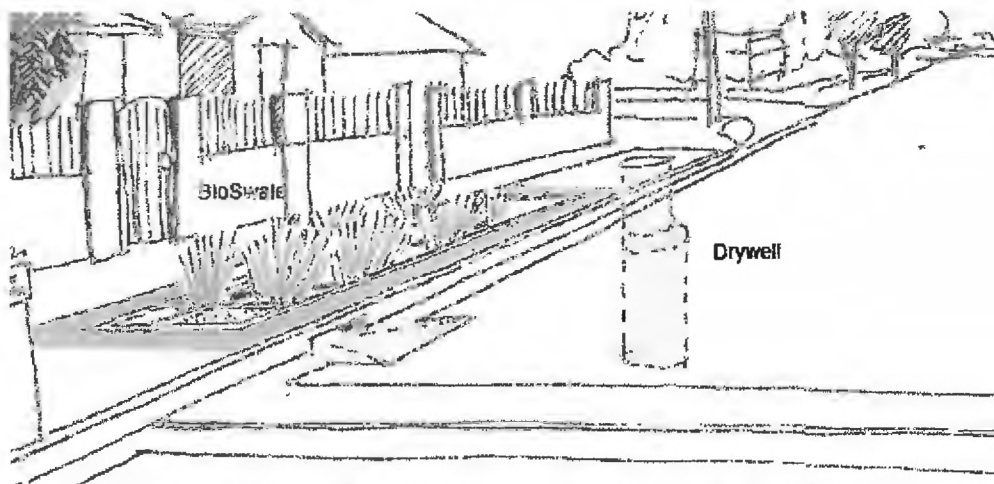
**BEN VICTORY GREEN STORMWATER INFRASTRUCTURE PROJECT
(A.K.A. AREA 6 OF SUNLAND/NORTH HOLLYWOOD GREENWAY PROJECT)**

I. HISTORY

Los Angeles Bureau of Sanitation (LASAN) will be the implementing agency and project manager of the Ben Victory Green Stormwater Infrastructure Project (A.K.A. Area 6 of Sunland/North Hollywood Greenway Project) (Project). LASAN Watershed Protection is the lead City agency implementing strategies to help comply with water quality regulations (Federal Clean Water Act and State's Regional Water Quality Control Board permits). These regulations seek to reduce pollutants entering receiving waters which include the Los Angeles River. Strategies for improving water quality in the River include constructing Green Stormwater Infrastructure (GSI) such as trash capture devices, vegetated infiltration basins (bioswales, rain gardens), biofiltration systems and drywell systems.

The Project is located within the North Hollywood and Sun Valley neighborhood of Los Angeles in Council District 2, east of the I-170 freeway between the I-5 and I-134 freeway and in the Upper Los Angeles River watershed. There is an historical problem of localized flooding in this area due to a lack of storm drains. Implementation of GSIs will reduce localized flooding and assist the City in meeting the Clean Water Act, Total Maximum Daily Loads (TMDLs) and comply with the Municipal Separate Storm Sewer System Permit (MS4) by removing pollutants such as trash, bacteria, metals, sediments and nutrients. Other project benefits include the increase of groundwater recharge in the San Fernando Groundwater Basin. The Project's design takes a distributed approach and proposes Green Stormwater Infrastructure (GSI) in the form of a series of drywells and pre-treatment systems (e.g. bioswales) at various locations around the drainage area of concern.

Deep infiltration systems such as drywells are proposed to treat and infiltrate excess runoff within the project areas. Drywells require a small footprint and efficiently provide deep well infiltration (25 feet below grade or more). Pretreatment swales are proposed upstream of the drywell systems to remove trash, sediment, nutrients and other pollutants and to protect the quality of groundwater recharge while, at the same time, allowing infiltration. The underlying soil is classified as soil number 15. According to LA County's Hydrology Manual Appendix C (2006), soil number 15 is identified as Tujunga Fine Sandy Loam, which is conducive to infiltration. In addition, boring logs and percolation test conducted in the nearby area show soils have good infiltration capabilities.



Implementation of drywell system, in residential area, with bioswals as pretreatment, typical. Pretreatment swales are located on the public right of way (parkway). Water passes through the swale before entering the dry well for infiltration.

II. ENVIRONMENTAL REVIEW

The project is determined to be categorically exempt under City of Los Angeles California Environmental Quality Act (CEQA) Guidelines (Article III, Sec. 1, Class 3, Category 4), which allows for the installation of new equipment and/or industrial facilities involving negligible or no expansion of use if required for safety, health, the public convenience, or environmental control. California CEQA Guidelines (14 CCR § 15301) Existing Facilities, allows exemption for the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. 14 CCR § 15301 (c) allows for minor alteration of existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety). The project consists of minor alteration of existing public structures and facilities (bioswale and drywell system installed in the public right of way) to improve water quality in the LA River and reduce flooding.

State CEQA Guidelines (14 CCR § 15300.2) limits the use of categorical exemptions in the following circumstances:

a. Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated.

precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

This project is exempt under City guidelines Class 3 and State § 15301 (Existing Facilities). Having reviewed the California State Department of Toxic Substances Control EnviroStor database, the State Water Resources Control Board Geotracker website, and the U.S. Environmental Protection Agency's Superfund site database, the City has determined the project is not located near an environmental resource of hazardous or critical concern; therefore this exception has no application here.

b. Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.

There are no other known projects of the same type in the same place which could involve cumulatively significant impacts. Therefore, this exception has no application here.

c. Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

There are no unusual circumstances or activities that will have significant effect on the environment. Project is located in a built-out medium-density zoned residential area with existing infrastructure. Standard construction methods of the City's Department of Public Works for minor green streets and greenway improvements will be employed and every effort will be made to minimize impacts to the environment. Construction activities will include minor excavation with surface improvements of the bioswales, and the excavation and installation of the drywell system with native plantings. Construction activities will be short-term, occurring over a few weeks. Noise and traffic impacts will be less than significant. Therefore, this exception has no application here.

d. Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.

The proposed project is not within sight of any state designated scenic highway or similar resource. Therefore, this exception has no application here. If the project

requires the removal of any street trees, replacements shall be in accordance with the City's Board of Public Works policy of 2-to-1 replacement.

e. Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.

As of July 3, 2019, the State Department of Toxic Substances Control (Envirostor database at www.envirostor.dtsc.ca.gov/public/) and the State Water Resources Control Board Geotracker website (geotracker.waterboards.ca.gov) do not list any sites within the project area. Therefore, this exception has no application here.

f. Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

The project will be implemented in an area previously disturbed by grading, installation of asphalt and concrete infrastructure and public utilities. A new mixed-use development was recently constructed on private property adjacent to the project site. Having reviewed the California Register of Historical Resources (California Register), the California Historical Resources Information System and the City's NavigateLA geodatabase, the City has determined that no historical resource is involved in the proposed project therefore this exception has no application here.

III. PROJECT LOCATION

