

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0111-31341-0116
Council File 14-1174-S59
Council Districts 2, 4

Date: July 16, 2019

To: Los Angeles City Council

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



Subject: **TRANSMITTAL – RECOMMENDATIONS FOR AUTHORIZATIONS RELATED TO THE VINELAND WALKWAY AND MEDIAN IMPROVEMENTS PROJECT**

At its Special Meeting on July 11, 2019, the CRA/LA Bond Oversight Committee considered a report from the Economic and Workforce Development Department dated July 11, 2019 regarding the Vineland Walkway and Median Improvements Project, amended the recommendations as reflected in this transmittal, and instructed staff to transmit to Council for approval. Approval of the amended recommendations will result in an additional allocation of \$130,163 in interest funds for a new total project budget of \$975,657. The funding will be used for defined project components as follows:

Vineland Walkway and Median Improvements Project Budget	
Project Component	Totals
Design Costs	\$140,000
Mobilization	\$65,000
Demolition of defected irrigation system clear & grub existing landscape	\$84,550
Landscape & Irrigation	\$590,000
Contingency	\$96,107
Total Project Costs	\$975,657

RECOMMENDATIONS

1. DETERMINE that the Vineland Walkway and Median Improvements Project (Project), consisting of allocating and withholding expenditure of funds for the Project pending the completion, review and consideration of planning and environmental documents related to landscape and irrigation improvements to the existing median islands between Magnolia Boulevard and the intersection of Camarillo Street and Lankershim Boulevard, 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. APPROVE up to \$780,654 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District (CD 2), and up to \$64,840 in tax-exempt EBP available to Council District 4 (CD 4), as well as \$130,163 in earned interest, for a total of up to \$975,657 from the North Hollywood Redevelopment Project Area;
3. AUTHORIZE the Department of Public Works, Bureau of Street Services (StreetsLA) to be the implementing department for the Project;
4. AUTHORIZE the Controller, subject to the requirements below and the availability of funds and duly executed and encumbered contract(s), to expend up to \$975,657 from Account No. 22L9KN, North Hollywood Tax-Exempt Series 2006-G and 2008-H, for activities related to Project upon presentation of proper documentation from StreetsLA, and satisfactory review by EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
5. AUTHORIZE StreetsLA to perform limited preliminary planning as may be necessary to conduct the environmental review for the Project from the above-noted funds allocated to the Project;
6. DIRECT StreetsLA to withhold expending or committing to expend any of the remainder of the above-noted funds allocated to the Project until all of the following have occurred:
 - a. StreetsLA has completed the preliminary planning documents and environmental review documents;
 - b. The City has complied with the requirements of 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;
7. AUTHORIZE StreetsLA to expend the CRA/LA EBP allocation no later than December 31, 2024;
8. DIRECT StreetsLA 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; and
9. 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.

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.

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGER

Item 7

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

July 11, 2019

Council File:14-1174-S59
Council District Nos.: 2 and 4
Contact Person & Extension:
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 \$845,494 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE NORTH HOLLYWOOD PROJECT AREA (TAX-EXEMPT SERIES 2006-G AND 2008-H) FOR THE VINELAND WALKWAY AND MEDIAN IMPROVEMENTS 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 Vineland Walkway and Median Improvements Project (Project), consisting of allocating and withholding expenditure of funds for the Project pending the completion, review and consideration of planning and environmental documents related to landscape and irrigation improvements to the existing median islands between Magnolia Boulevard and the intersection of Camarillo Street and Lankershim Boulevard, 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. APPROVE up to \$780,654 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District (CD) 2, and up to \$64,840 in tax-exempt EBP available to CD 4, for a total EBP of up to \$845,494 from the North Hollywood Redevelopment Project Area (Project Area) be utilized for Project;
3. AUTHORIZE the Department of Public Works, Bureau of Street Services (StreetsLA) to be the implementing department for the Project;
4. AUTHORIZE the Controller, subject to the requirements below and the availability of funds and duly executed and encumbered contract(s), to expend up to \$845,494 from Account No. 22L9KN, North Hollywood Tax-Exempt Series 2006-G and 2008-H, for activities related to Project upon presentation of proper documentation from StreetsLA, and satisfactory review by EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
5. AUTHORIZE StreetsLA to perform limited preliminary planning as may be necessary to conduct the environmental review for Project from the above-noted funds allocated to Project;
6. DIRECT StreetsLA to withhold expending or committing to expend any of the remainder of the above-noted funds allocated to Project until all of the following have occurred:
 - a. StreetsLA has completed the preliminary planning documents and environmental review documents;
 - b. The City has complied with the requirements of CEQA with respect to Project, including obtaining any necessary CEQA clearances; and
 - c. The Board of Public Works (BPW) has considered and approved Project for expenditure of the remaining funds;
7. AUTHORIZE StreetsLA to expend the CRA/LA EBP allocation no later than December 31, 2024;
8. DIRECT StreetsLA 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; and
9. 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 joint CD 2 and CD 4 Motion (Krekorian-Ryu-Koretz) which was adopted by Council on January 16, 2019 (C.F. 14-1174-S59).

The Motion requested that all remaining tax-exempt EBP in Project Area within CD 2 and CD 4 be allocated to StreetsLA to implement various pedestrian improvements. Area Wide Pedestrian 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 and CD 4's portion of EBP in this Project Area.

CD 2's original EBP in Project Area, consisting entirely of tax-exempt EBP, was \$3,177,154. This transmittal's proposed \$780,654 in tax-exempt EBP allocation, along with six (6) other pending motions, will completely exhaust CD 2's EBP in Project Area.

CD 4's original EBP in Project Area, also consisting entirely of tax-exempt EBP, was \$64,840. This transmittal's proposed \$64,840 in tax-exempt EBP allocation will completely exhaust CD 4's EBP in Project Area.

EWDD ANALYSIS

EWDD met and consulted with CD 2, CD 4, and StreetsLA regarding Project. StreetsLA will be the implementing department whose in-house staff will design and construct landscape and irrigation improvements to the existing median islands on Vineland between Magnolia, and the intersection of Vineland with Lankershim and Camarillo.

The initial cost estimate for the project is \$845,494 which will be 100% funded by CDs 2 and 4's EBP in Project Area. The Project's scope of work is as follows:

Estimated Tax-Exempt EBP Costs

Design	\$126,824
Mobilization	\$ 59,185
Demolition	\$ 84,550
Landscape and Irrigation	\$490,385
Contingency	<u>\$ 84,550</u>
Total Estimated Tax-Exempt EBP Costs	\$845,494

Upon Council adoption and City compliance with CEQA, design will commence by March 2020 with construction expected to be completed in December 2021.

Contract execution and funding must be encumbered no later than September 30, 2019. The EBP appropriation must be fully expended no later than September 30, 2024. Deliverables and/or activity reports showing percentages of completion must accompany StreetsLA'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 the approved spending categories and amounts outlined in this transmittal.

StreetsLA will report on its work accomplishments to the CAO, and fund expenditures to the 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 expenditures set forth in this report will provide numerous benefits to the neighboring community, including enhanced landscaping, additional trees and greenery, and irrigation improvements. The improved landscaping will promote a more sustainable and pedestrian-friendly environment. The planting of new trees and greenery to the existing median islands will make Vineland Avenue more aesthetically pleasing for pedestrians, and will create a more prominent buffer between fast-moving traffic and slower pedestrian-oriented transportation modes. The irrigation improvements will ensure the new landscaping and greenery stay beautiful and vibrant, while also contributing to more efficient water use. The optimized environment will benefit nearby residents, local businesses, and travelers along Vineland Avenue.

ENVIRONMENTAL REVIEW

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

The recommended actions are not considered a project pursuant to CEQA. Consistent with CEQA Guidelines Section 15378(b)(4), approving the allocation 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 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 Project, similar to other regular government budgeting activities. Just as such occurs with other City budgeting procedures, no construction of Project will occur until the City has complied with CEQA (including the preparation and consideration of an environmental review document, if needed), and until BPW has ultimately reviewed and determined whether or not to approve moving forward with, and expending the funds on, Project.

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

ATTACHMENT: Motion (Krekorian-Ryu-Koretz) C. F. 14-1174-S59

MOTION ECONOMIC DEVELOPMENT

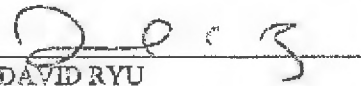
The Vineland Walkway, located on Vineland Avenue between Magnolia Boulevard and Sarah Street bordering Council Districts 2 and 4, provides safe pedestrian access and public green space to North Hollywood residents. Various improvements necessary to enhance the pedestrian experience along the Vineland Walkway have recently been identified, including landscaping, hardscaping, the installation of street furniture, and the repair of existing medians.


Funds are available to Council Districts 2 and 4 through tax-exempt CRA/LA Excess Bond Proceeds from the North Hollywood Redevelopment Project Area that can assist the Vineland Walkway and Median 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 tax-exempt CRA/LA Excess Bond Proceeds for an Area Wide Pedestrian Improvements project in the North Hollywood Redevelopment Project Area is an eligible expense identified in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that the Council authorize the expenditure of all remaining tax-exempt CRA/LA Excess Bond Proceeds available to Council Districts 2 and 4, including any earned interest, from the North Hollywood Redevelopment Project Area to be utilized by the Bureau of Street Services to create the Vineland Walkway and Median Improvements Project; and

I FURTHER MOVE that the Council instruct 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 remaining tax-exempt CRA/LA Excess Bond Proceeds available to Council Districts 2 and 4, including earned interest, from the North Hollywood Redevelopment Project Area for the Vineland Walkway and Median Improvements Project as a part of the Area Wide Pedestrian Improvements identified in the Bond Expenditure Agreement and Bond Spending Plan for the North Hollywood Redevelopment Project Area.

PRESENTED BY 
PAUL KREKORIAN
Councilmember, 2nd District


DAVID RYU
Councilmember, 4th District

NOV 28 2018


SECONDED BY 

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