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**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

January 22, 2016

Council File: 14-1174-S5
Council District No.: 3
Contact Persons & Extensions:
Meg Barclay (213) 744-9340

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

**COMMITTEE TRANSMITTAL: REQUEST APPROVAL TO REALLOCATE \$100,000
IN CRA/LA EXCESS BOND PROCEEDS FROM THE RESEDA/CANOGA PARK
REDEVELOPMENT PROJECT AREA FOR CONSULTANT SERVICES**

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 (Blumenfield – Harris-Dawson) dated December 16, 2015 as CF 14-1174-S5. The motion, relating to the allocation of \$100,000 in CRA/LA non-housing Excess Bond Proceeds (EBP) available to Council District (CD) 3 from the Reseda/Canoga Park Redevelopment Project Area, was adopted by Council on January 13, 2016. The Motion directs that the identified funds be used towards contracting a consultant to assist in the implementation of projects, programs and activities identified in the Bond Spending Plan for this Project Area. This use 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 CD 3 portion of EBP in this Project Area.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Bond Oversight Committee recommend that the Mayor and Council:

1. APPROVE \$100,000 in CRA-LA/DLA EBP funds available to CD 3 from the Reseda/Canoga Park City Redevelopment Project Area be utilized towards a

contract with a consultant to assist in the implementation of projects, programs and activities identified in the Bond Spending Plan for this Project Area;

2. TRANSFER \$100,000 from CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9PT - Reseda/Canoga Park Taxable to City Administrative Officer (CAO), Fund 100/10, Contractual Services, Account 3040 to fund the use of consultant services to assist in the planning and implementation of projects, programs and activities identified in the Bond spending Plan for this Project Area.
3. 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.
4. 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 the Bond Oversight Committee, 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 EBP. 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 3 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

The CD 3 portion of EBP from the Reseda/Canoga Park Redevelopment Project Area amounts to \$20,984,713. CD 3's EBP consist of \$8,624,498 in tax-exempt bond proceeds, and \$12,360,216 in taxable bond proceeds in one project area. These funds are detailed below:

CRA Project Area	CD 3's Percentage Share of Project Area EBP	Tax-Exempt Bond Proceeds	Taxable Bond Proceeds	Total Bond Proceeds in Project Area
Reseda/Canoga Park	90 %	\$8,624,498	\$12,360,216	\$20,984,713
TOTAL		\$8,624,498	\$12,360,216	\$20,984,713

Approved bond spending within the Reseda/Canoga Park Redevelopment Project Area project area totals \$23,316,348. This Redevelopment Project Area spans Council Districts 3, 6 and 12. The bond spending plan does not break down proposed bond spending on potential projects by Council District. Expenditures for the entire area are estimated as follows along with the potential projects identified for each project area:

CRA Project Area	Estimated Expenditures				Total Project Area Spending
	Public Infrastructure	Community Facilities	Affordable Housing	Business Assistance	
Reseda/Canoga Park	\$7,300,000	\$2,282,775	\$1,733,573	\$12,000,000	\$23,316,348
TOTAL	\$7,300,000	\$2,282,775	\$1,733,573	\$12,000,000	\$23,316,348

ANALYSIS AND RECOMMENDATIONS

The Reseda Town Center is to be developed as a mixed-use project, which will potentially include the following components as part of the development scope:

- Recreational facility including an ice and roller-skating rink, gymnasium, and play field
- Expanded facilities for the adjacent charter school
- Commercial retail center with housing units
- Structured parking to serve all uses

The project will likely be developed as two separate, adjacent projects: a commercial/residential project under fully private ownership, and a recreational/educational project through a public/non-profit partnership. The parking facility could be built as part of either development. In order to accommodate the footprint of the proposed uses, it is anticipated that some portions of the site may be transferred amongst the fee owners.

Per the Bond Expenditure Agreement, no more than fifteen percent (15%) of the taxable bond proceeds may be expended on planning activities related to the prioritization and/or evaluation of potential projects. Therefore, CD 3's portion of EBP which may be expended on planning and evaluation is \$1,854,032. CD 3's motion, Adopted by Council on January 13, 2016, seeks to allocate \$100,000 of this amount for a contract with a consultant to assist the City in the development of the Reseda Town Center site to meet the economic development goals identified in the BEA and BSP. The two areas with which the consultant will assist the City are:

Site Planning

- Analyze the feasibility of developing the various project components on the site.
- Evaluate the existing conceptual plans for the different components of the project scope, and prepare an integrated site plan, with particular attention paid to parking, circulation, and adherence to zoning standards and the applicable Community Design Overlay.
- Possible ongoing consultation as the project planning moves to schematic plans and beyond.
- Possible provision of advice related to the projects' adherence to the California Environmental Quality Act (CEQA).

Financial Feasibility

- Assist in developing the financial structure of the proposed development.
- Assess the feasibility of the charter school expansion project in conjunction with

- the recreational ice and roller rink facility, in the context of the adjacent private commercial/residential development and shared parking.
- Assist the City in negotiating the purchase of CRA/LA properties, and potential disposition to the private developer and/or the non-profit developer.
 - Assist in developing a strategy for implementing the project components, with a goal to minimize outlay of public funds from various sources.

EWDD has consulted with CD 3 staff 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 3. The initial deliverable will be a conceptual site plan. The authorized bond funds will be used to reimburse the initial expenditure from the CAO's contractual services account. All deliverables will be submitted to CD 3 with a copy to EWDD and CAO and no invoices will be paid without CD 3 approval.

EWDD recommends that \$100,000 in CRA/LA EBP be allocated for the purposes outlined in the Motion.



JAN PERRY
General Manager

JP:SH:MB:RBV

ATTACHMENT: Motion (Blumenfield – Harris-Dawson)

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.


In 2014 the Reseda Rising initiative was unveiled to revitalize Reseda by promoting local businesses, developing a community driven streetscape master plan, securing the option to market and develop three CRA/LA Future Development properties, and securities to expend CRA/LA Excess Bond Proceeds from the Reseda/Canoga Park Redevelopment Project Area. At its launch, the program focused on multiple economic development initiatives, including leveraging previously untapped resources to boost investment in the area.

Along the southerly portion of Sherman Way, between Lindley and Etiwanda Avenue, lies two of the CRA/LA Future Development Properties commonly referred to as the Reseda Town Center site. The two CRA/LA properties combined with various adjacent privately owned properties present several development opportunities that would consist of an expanded educational facility, a new recreational ice and roller skating facility, and a new commercial retail center. In order to facilitate each development opportunity, the City must be engaged to assess the feasibility of each project, negotiate acquisition and use of the CRA/LA properties, and develop strategies to implement each individual project. Although a complex task for the City to undertake, the three projects would revitalize a major commercial corridor, serve as a catalytic focal point to further investment and development along Sherman Way, and provide a multitude of uses that look to improve the quality of life in the community of Reseda.


I THEREFORE MOVE that taxable CRA/LA Excess Bond Proceeds available to Council District Three in an amount not to exceed \$100,000 from the Reseda/Canoga Park Redevelopment Project Area be utilized to hire a consultant to assist the City in: 1) assessing the feasibility of the Magnolia Science Academy Expansion Project in conjunction with development of a recreational ice and roller skating facility, and development of an adjacent commercial retail center; 2) negotiate acquisition and use of the CRA/LA Future Development Properties; and 3) develop a strategy to implement each project component.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Council District Three, and any other applicable City department, provide a report with recommendations and to the CRA/LA Bond Oversight Committee to allocate taxable CRA/LA Excess Bond Proceeds in an amount not to exceed \$100,000 to hire a consultant to assist in development of the Reseda Town Center site as described above and identified in the Bond Expenditure Agreement and Bond Spending Plan for the Reseda/Canoga Park Redevelopment Project Area.

PRESENTED BY


Bob Blumenfeld
Councilmember, 3rd District

SECONDED BY




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