

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the reallocation of \$100,000 in CRA-LA/DLA Excess Bond Proceeds funds in connection with the Reseda/Canoga Park City Redevelopment Project Area.

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

1. APPROVE 51,500 in CRA-LA/DLA Excess Bond Proceeds funds available to Council District Three 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 \$51,500 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 along with up to \$51,500 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, Economic and Workforce Development Department (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 AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CRA/LA Bond Oversight Committee reports that approval of the recommendations contained in the February 23, 2016 CRA/LA Bond Oversight Committee report, attached to the Council file, to use up to \$50,000 from the CAO's contractual services account for a consultant contract on the Reseda Town Center Project will not result in any additional impact on the General Fund as there are sufficient funds budgeted for these purposes. There are sufficient CRA Excess Bond Proceeds budgeted for these purposes.

Community Impact Statement: None submitted.

Summary:

On March 22, 2016, your Committee considered a February 23, 2016 CRA/LA Bond Oversight Committee (Committee) report relative to the allocation of \$184,946 in Community Redevelopment Agency/Los Angeles (CRA/LA) excess bond proceeds from the Watts Redevelopment Project Area and \$15,054 from AB 1290 for the purchase of real estate. According to the Committee, 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 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 percent 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, CAO, 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. A complete listing of permissible investments by project, program and activity per project area is detailed in the Committee report, attached to the Council file.

The Council District Three portion of EBP from the Reseda/Canoga Park Redevelopment Project Area amounts to \$20,984,713. Council District Three's EBP consist of \$8,624,498 in tax-exempt bond proceeds, and \$12,360,216 in taxable bond proceeds in one project area. Approved bond spending within the Reseda/Canoga Park Redevelopment Project Area project area totals \$23,316,348. This Redevelopment Project Area spans Council Districts Three, Six and 12 and the bond spending plan does not break down proposed bond spending on potential projects by Council District.

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:

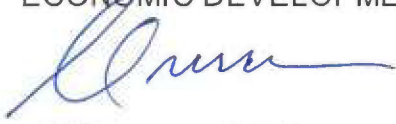
- a. Recreational facility including an ice and roller-skating rink, gymnasium, and play field
- b. Expanded facilities for the adjacent charter school
- c. Commercial retail center with housing units
- d. Structured parking to serve all uses

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.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the February 23, 2016 Committee report, as amended, and detailed in the above recommendations. 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-