

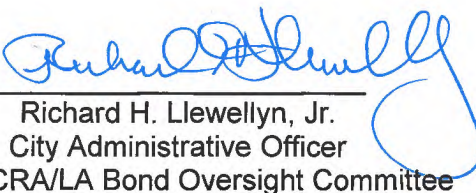
WA# 0111-31341-0099

TRANSMITTAL

To: Council	DATE 6/3/19	COUNCIL FILE NO. 14-1174-S61
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 6

At its meeting of May 30, 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 \$2,000,000 in CRA/LA Excess Non-Housing Taxable Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area (Taxable Series 2006-B and Tax-Exempt Series 2009-D) for the Parthenia Street and Sepulveda Street Streetscape and Safety Improvements 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. Llewellyn, Jr.
City Administrative Officer
Chair, CRA/LA Bond Oversight Committee

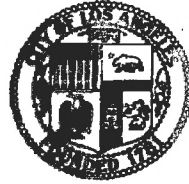
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Attachment – May 24, 2019 EWDD Report – Parthenia St and Sepulveda Blvd Streetscape and Safety Improvements Project

CITY OF LOS ANGELES

CALIFORNIA

JOH N L. REAMER, JR.
INTERIM GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

May 24, 2019

Council File: 14-1174-S61
Council District No.: 6
Contact Person & Extension:
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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 \$2,000,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY PROJECT AREA (TAXABLE SERIES 2006-B AND TAX-EXEMPT SERIES 2009-D) FOR THE PARTHENIA STREET AND SEPULVEDA BOULEVARD STREETScape AND SAFETY 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. FIND that the action of appropriating and withholding expenditure of funds for the Parthenia Street and Sepulveda Boulevard Streetscape and Safety Improvements Project (Project) pending the completion, review and consideration of planning and environmental documents related to the Project 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. AUTHORIZE the Department of Public Works, Bureau of Street Services (StreetsLA) to be the implementing department for the Project;
3. AUTHORIZE the Controller, subject to the requirements below and the availability of funds and duly executed and encumbered contract(s), to expend up to \$650,307 from the CRA/LA Excess Non-Housing Bond Proceeds (EBP) Fund No. 57D, Account No. 22L9MT, Pacoima/Panorama City Taxable Series 2006-B, and up to \$1,349,693 from Account No. 22L9MN, Pacoima/Panorama City Tax-Exempt Series 2009-D, for a total EBP amount of up to \$2,000,000 for activities related to the Project upon presentation of proper documentation from StreetsLA, and satisfactory review by the EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
4. DIRECT StreetsLA to withhold expending, or committing to expend, any of the remainder of the above-noted funds appropriated 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 the California Environmental Quality Act (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;
5. DIRECT StreetsLA to report on its work accomplishments to the Office of the City Administrator Officer (CAO), and fund expenditures to the EWDD, on a quarterly and as-needed basis; and
6. 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 Council District (CD) 6 Motion (Martinez-Krekorian) which was adopted by Council on December 12, 2018 (C.F. 14-1174-S61).

The Motion requested that \$2,000,000 in taxable and tax-exempt EBP in the Project Area within CD 6 be appropriated to the Department of Transportation (LADOT), Department of Public Works, Bureau of Engineering and any other applicable City departments to construct Project. Pursuant to subsequent discussions, StreetsLA was designated as the lead department to oversee Project. Streetscape improvements along Parthenia Street and Sepulveda Boulevard (Blvd.) were identified as a potential

project in the Pacoima/Panorama City Redevelopment Project Area's (Project Area) 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 6's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in the Project Area available to CD 6 was \$6,233,034. However, after deducting the 16% (\$130,500) taxable administrative EBP, the net remaining EBP was \$6,102,534. This transmittal's proposed \$650,307 in taxable, and \$1,349,693 in tax-exempt EBP appropriations, along with one (1) other pending motion, will leave \$27,520 in taxable, and \$642,713 in tax-exempt EBP for a combined remaining EBP balance of \$670,233 in the Project Area for CD 6.

EWDD ANALYSIS

EWDD has met and consulted with CD 6, LADOT and StreetsLA regarding Project and the scope of work. StreetsLA will serve as the lead department overseeing the consultant(s) selection, BPW approval, and contract execution/encumbrance through completion of Project.

The work to be performed will primarily be at the median on Parthenia Street between Sepulveda Blvd. and Columbus Avenue, and the sidewalks across the street from the median. The proposed scope of work is as follows:

1. Demolition
2. Hardscape
 - a. Upgrading existing curb ramps
 - b. Installing new curb ramps
 - c. Widening the median on the park side
 - d. Affixing benches and trash receptacles to the ground
 - e. Constructing pedestrian path along center of median
3. Tree planting
4. Landscape and Irrigation

The total estimated project cost is \$2,000,000 which will be 100% funded by EBP. Breakdown of the estimated taxable vs. tax-exempt EBP utilization is as follows:

Taxable EBP Estimates (Phase I)

Preliminary Engineering/CEQA	\$ 429,448
Construction Engineering	\$ 220,859
Total Taxable Cost Estimate	\$ 650,307

Tax-Exempt EBP Estimates (Phase II)

Demolition	\$ 276,600
Hardscape	\$ 317,755
Tree Planting	\$ 445,539
Landscape and Irrigation	\$ 187,100
Contingency	\$ 122,699
Total Tax-Exempt Cost Estimate	\$ 1,349,693

Phase I engineering outreach and design is expected to commence in July 2019 which will take approximately 18 months. Phase II construction is expected to commence in January 2021, and will last approximately 9 months. Overall Project completion date is projected for October 2021.

StreetsLA will develop, in consultation with CD 6, contracts with consultant(s) which must be executed and encumbered no later than September 30, 2019. The EBP appropriation must be fully expended no later than September 30, 2024. The City will review and consider approving the Project according to this timeline. Deliverables and/or activity reports showing percentages of completion must accompany StreetsLA's signed off invoices which shall be submitted to the EWDD. Disbursements will be authorized pursuant to receipt and satisfactory review by the EWDD to ensure compliance with bond covenants and the approved spending categories outlined in this transmittal.

StreetsLA will report on its work accomplishments to the CAO, and funds expended to the EWDD, on a quarterly and as needed basis for their respective reports to the BOC and Mayor.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits in the Project Area which will benefit the affected taxing entities by constructing sidewalks to promote economic development and improve safety. The Project aims to promote and strengthen significant efforts to revitalize the North Hills community in the Project Area. Significant improvements at North Hills Community Park have recently been completed, and over 360 new housing units have been approved and are pending construction. The North Hills community has struggled with outdated infrastructure, crime, and a general lack of investment in the community. Streetscape improvements along Parthenia Street and Sepulveda Blvd. would improve pedestrian and traffic safety, as well as the aesthetics and quality of life for area residents. Considering the potential for significant private investments in residential and commercial development, the additional infrastructure and public investment provided by the Project would further leverage revitalization of the area.

ENVIRONMENTAL REVIEW

The recommended actions are not considered a "project" pursuant to CEQA. Consistent with CEQA Guidelines Section 15378(b)(4), approving the appropriation 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 the 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 the Project, similar to other regular government budgeting activities. But, just as such occurs with other City budgeting procedures, no construction of the Project will occur until the City has complied with CEQA (including the preparation and consideration of an

environmental review document, if needed), and until the BPW has ultimately reviewed and determined whether or not to approve moving forward with, and expending the funds on, the Project.

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

ATTACHMENT: Motion (Martinez-Krekorian) C. F. 14-1174-S61

MOTION

ECONOMIC DEVELOPMENT

The North Hills community has been the focus of recent revitalization efforts. Significant improvements at North Hills Community Park have recently been completed, and over 360 new housing units have been approved and are pending construction. For years, residents have struggled with crime, outdated infrastructure, and a general lack of public investment in the community. Parthenia Street, Parthenia Place, Sepulveda Boulevard, and adjacent streets warrant improvements to address pedestrian and traffic safety, as well as to improve the aesthetics and quality of life for area residents. With the recent park improvements and potential for significant private investments in new residential and commercial investment in the area, additional infrastructure and public investment can further leverage the revitalization of the area.

Funds are available to Council District 6 through taxable and tax-exempt CRA/LA Excess Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area that can assist in the implementation of public improvements along Parthenia Street, Parthenia Place, Sepulveda Boulevard, and adjacent streets. In accordance with policies adopted by Council (C.P. 14-1.74) 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 committees with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable and tax-exempt CRA/LA Excess Bond Proceeds for public improvements along Parthenia Street and Sepulveda Boulevard in the Pacoima/Panorama City 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 \$2,000,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6 from the Pacoima/Panorama City Redevelopment Project Area to be utilized by the Department of Transportation to construct the Parthenia Street and Sepulveda Boulevard Streetscape and Safety Improvements project.

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 Engineering, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate \$2,000,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6 for the Parthenia Street and Sepulveda Boulevard Streetscape and Safety Improvements project as part of the Area Wide Pedestrian Improvements identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pacoima/Panorama City Redevelopment Project Area.

PRESENTED BY:

NURY MARTINEZ

Councilwoman, 6th District

DEC 9 5 2019

SECONDED BY:

Paul Kiebon

A.

ORIGINAL