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TRANSMITTAL

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| TO Council | DATE 06-28-19 | COUNCIL FILE NO. 14-1174-S62 |
| FROM CRA/LA Bond Oversight Committee | | COUNCIL DISTRICT 6 |

At its regular meeting on June 27, 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 \$211,190 plus all earned interest in CRA/LA Excess Non-Housing Bond Proceeds from the Reseda/Canoga Park Redevelopment Project Area (Taxable Series 2003-B, 2006-C, 2010-D) and (Tax-Exempt Series 2003-A, 2010-E) for the Sherman Way Median and Sidewalk Repair and 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

RHL:YC/JVW:nsh15190171

Attachment – June 27, 2019 EWDD Report – Sherman Way Median and Sidewalk Repair and Improvements Project

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Item 6

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

June 27, 2019

Council File:14-1174-S62
Council District No.: 6
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 \$211,190 PLUS ALL EARNED INTEREST IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE RESEDA/CANOGA PARK REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-B, 2006-C, 2010-D) AND TAX-EXEMPT SERIES 2003-A, 2010-E) FOR THE SHERMAN WAY MEDIAN AND SIDEWALK REPAIR AND 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 Sherman Way Median And Sidewalk Repair And 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 governmental 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 \$115,362 in taxable, and \$95,828, in tax-exempt, CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a combined total of \$211,190 plus all earned interest (Interest) available to Council District (CD) 6 from the Reseda/Canoga Park Redevelopment Project Area (Project Area) be utilized for the Project;
3. AUTHORIZE the Department of Public Works, Bureau of Street Services (StreetsLA) to be the implementing department for activities related to Project;
4. AUTHORIZE the Controller, subject to the availability of funds and a duly executed and encumbered contract, to expend up to \$115,362 plus Interest from the EBP Fund No. 57D, Account Nos. 22L9PT and 22S9PT Reseda/Canoga Park Taxable Series 2003-B, 2006-C and 2010-D and \$95,828 plus Interest from Account Nos. 22L9PN and 22S9PN Reseda/Canoga Park Tax-Exempt Series 2003-A and 2010-E for activities related to the Project upon presentation of proper documentation by StreetsLA, and satisfactory review and approval of EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
5. DIRECT the BSS 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. BSS 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;
 - c. The Board of Public Works (BPW) has considered and approved the Project for expenditure of the remaining funds;
6. 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
7. 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 CD 6 Motion (Martinez-Krekorian) which was adopted by Council on December 12, 2018 (C.F. 14-1174-S62).

Although the Motion requested a \$250,000 taxable and tax-exempt allocation, insufficient EBP exist in the Project Area for CD 6. This transmittal recommends that up to the available \$211,190 in taxable and tax-exempt EBP plus Interest in the Project Area within CD 6 be allocated to StreetsLA to design and construct sidewalk and median repairs, and perform landscape improvements along Sherman Way between

White Oak and Louise Avenues. Sherman Way 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). All of CD 6's available EBP in this Project Area will be used for this purpose.

The original taxable and tax-exempt EBP in the Project Area available to CD 6 was \$233,164. After the 16% (\$21,974) taxable administrative EBP, the net remaining EBP was \$211,190. This transmittal's proposed \$115,362 in taxable, and \$95,828 in tax-exempt, EBP will completely exhaust CD 6's EBP in the Project Area.

EWDD ANALYSIS

The EWDD has met and consulted with CD 6, StreetsLA and CAO regarding Project and scope of work. The Project will consist of sidewalk repairs, a new gateway sign at White Oak and Sherman Way, and new street trees. StreetsLA will design and construct all the repairs and improvements.

The total cost estimate for the project is \$222,669 which will be 100% funded by EBP and interest. The combined \$211,190 in available taxable and tax-exempt EBP plus interest is sufficient to cover the estimated Project cost. The proposed scope of work and breakdown of taxable vs. tax exempt EBP tasks are as follows:

Taxable EBP Costs Estimate:

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| Design | \$ 33,000 |
| Mobilization | \$ 15,000 |
| Gateway Sign | \$ 74,020 |
| Total Taxable EBP Costs Estimate | \$122,020 |

Tax-Exempt EBP Costs Estimate:

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| Demolition | \$ 40,000 |
| Sidewalk Upgrades/ADA Sidewalk Gap Closure | \$ 30,000 |
| Street Trees | \$ 10,000 |
| Contingency | \$ 20,649 |
| Total Tax-Exempt EBP Costs Estimate | \$100,649 |

Upon Council adoption and City compliance with CEQA, design will begin in October 2019 and is expected to last 9 months. Construction will commence immediately thereafter with completion targeted for Fall 2021.

Funding must be encumbered no later than September 30, 2019, with EBP appropriation 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 upon receipt and satisfactory review by EWDD to ensure compliance with bond covenants and adherence to the terms and conditions of the BEA and BSP.

StreetsLA will report on its work accomplishments to the CAO, and fund expenditures to EWDD, on a quarterly and as-needed basis for their respective reports to the BOC, Mayor and CRA/LA.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits in the Project Area benefitting the affected taxing entities by meeting the need for coordinated repairs in the area, and maintaining the existing landscaped median. Maintenance and repair of basic infrastructure elements enhance the quality of life in the area, and ensure that residents are supported in maintaining the neighborhood pride that exists in the Lake Balboa community.

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 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 Board of Public Works (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 covenants, and has found that the proposed use of EBP, including using tax-exempt EBP for the purposes outlined in this report, 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 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-S62

MOTION ECONOMIC DEVELOPMENT

Sherman Way, between Louise and White Oak, includes single family homes bookended by commercial uses to the west and Louise Park to the right. There is a need for scattered repairs in this area, and the existing landscaped median has maintenance needs as well. Maintenance and repair of some the basic infrastructure can support the quality of life in the area and ensure that residents are supported in maintaining the neighborhood pride that exists in the Lake Balboa community.

Funds are available to Council District 6 through taxable and tax-exempt CRA/LA Excess Bond Proceeds from the Reseda/Canoga Park Redevelopment Project Area that can assist in the implementation of public improvements along the specified area of Sherman Way. 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 and tax-exempt CRA/LA Excess Bond Proceeds for public improvements along Sherman Way in the Reseda/Canoga Park 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 \$250,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6 from the Reseda/Canoga Park Redevelopment Project Area to be utilized by the Bureau of Street Services for sidewalk and median repair and landscape improvements along Sherman Way, between White Oak and Louise Avenues, identified as the Sherman Way Median and Sidewalk Repair and 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, Bureau of Street Services, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate \$250,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6 for the Sherman Way Median and Sidewalk Repair and Improvements project as part of the Sherman Way Improvements identified in the Bond Expenditure Agreement and Bond Spending Plan for the Reseda/Canoga Park Redevelopment Project Area.

PRESENTED BY: Nury Martinez
NURY MARTINEZ
Councilwoman, 6th District

SECONDED BY: Paul Robinson

DEC 5 2018

AP

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