


WA# 0111-31341-0101

TRANSMITTAL

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| To: Council | DATE 6/3/19 | COUNCIL FILE NO. 14-1174-S67 |
| From: CRA/LA Bond Oversight Committee | | COUNCIL DISTRICT 7 |

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 \$500,000 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 2006-C) for the Pacoima/Panorama City Graffiti Abatement 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:nsh15190125

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGER

Item 9

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

May 24, 2019

Council File:14-1174-S67
Council District No.: 7
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 \$500,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2006-B AND TAX EXEMPT SERIES 2006-C) FOR THE PACOIMA/PANORAMA CITY GRAFFITI ABATEMENT 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 Pacoima/Panorama City Graffiti Abatement Project (Project), consisting of graffiti abatement services and improvements including, but not limited to, the removal of existing graffiti, anti-graffiti protection and the installation of murals is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the Section 15301 of the State CEQA Guidelines. The Project is also exempt under the City CEQA Guidelines Article III, Class 1(4);
2. APPROVE up to \$66,000 in taxable, and \$434,000 in tax-exempt, CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a combined total of \$500,000 available to Council District 7 (CD 7) from the Pacoima/Panorama City Redevelopment Project Area (Project Area) to be utilized for the Project;

3. AUTHORIZE the Board of Public Works (BPW), Office of Community Beautification (OCB) to be the implementing department for activities related to the Project;
4. REQUEST the BPW to approve, negotiate and execute contracting documents as required with Northeast Graffiti Busters (Contractor), Contract No. C-122617 (Contract) to effectuate Project subject to the approval of City Attorney as to form no later than September 30, 2019;
5. DIRECT OCB to transmit copies of all executed contract(s) under Project to EWDD;
6. DIRECT OCB to file a CEQA Notice of Exemption (NOE) with the City Clerk and Los Angeles County Clerk upon City Council approval;
7. DIRECT OCB to expend the EBP appropriation no later than December 31, 2024;
8. DIRECT OCB 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;
9. AUTHORIZE the Controller, subject to the availability of funds and a duly executed and encumbered contract, to expend up to \$66,000 from the EBP Fund No. 57D, Account 22L9MT Pacoima/Panorama City Taxable Series 2006-B, and \$434,000 from EBP Fund No. 57D, Account 22L9MN Pacoima/Panorama City Tax-Exempt Series 2006-C, for activities related to the Project upon presentation of proper documentation by BPW-OCB, and satisfactory review and approval of EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA); and
10. 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 7 Motion (Rodriguez-Harris-Dawson) which was adopted by Council on April 30, 2019 (C.F. 14-1174-S67).

This transmittal recommends that up to \$500,000 in taxable and tax-exempt EBP from the Project Area within CD 7 be appropriated to OCB to enter into related contractual services to implement graffiti abatement services and improvements including, but not limited to, the removal of existing graffiti, anti-graffiti protection, and the installation of murals within the Project Area. Graffiti abatement was 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), and sufficient funds for this purpose are available from CD 7's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in the Project Area available to CD 7 was \$10,215,250 consisting of \$1,336,723 in taxable, and \$8,878,527 in tax-exempt EBP. After the mandated 16% (\$213,876) taxable administration allocation, there remained a combined \$10,001,374 EBP available to CD 7. This Motion's proposed \$66,000 in taxable, and \$434,000 in tax-exempt EBP, along with 6 Motions approved with taxable and tax-exempt EBP, will leave CD 7 with \$208,847 in taxable, and \$4,121,418 in tax-exempt, EBP in the Project Area for a remaining EBP balance of \$4,330,265.

EWDD ANALYSIS

EWDD has met and consulted with CD 7 and OCB regarding the Project and scope of work. Murals have proven to be an effective means of graffiti abatement in areas that are continuously plagued with graffiti. As such, graffiti abatement services for the Project will be implemented with mural installation at various locations within the Project Area as the central focus.

OCB will serve as the implementing department who will oversee Project. Contractor was competitively procured by OCB. Contractor will serve as the administrator for graffiti abatement services, and will hire local youths to fill positions for the Project. OCB will seek BPW's approval to amend Contract to include, but not limited to, the following scope of work:

1. Process Right-of-Entry permits
2. Provide general labor for mural site preparation
3. Manage contracts with local muralists
4. Process all invoices and payments per City approval and request
5. Obtain applicable certificates of insurance
6. Report all income and expenses on 2019 tax return

The total Project cost estimate is \$500,000. Projected tax-exempt and taxable EBP expenditures are as follows:

Tax-Exempt EBP Cost Estimates: \$434,000

1. Labor \$174,000: Salaries for 1 Mural Director, 2 Lead Artists and 10 Youth Associates per project; general labor for graffiti removal and site preparation.
2. Materials, Supplies and Equipment \$260,000: Paint, disposable brushes, roller sleeves, extension poles, roller frames, paint sprayers, equipment rentals, mechanical lifts, harnesses, and anti-graffiti coating spray.

Taxable EBP Cost Estimates: \$66,000

1. Metrolink Costs \$41,000: Plan review fee, administrative fee, Right-of-Entry permit, and mandatory safety measures.
2. Related Costs \$25,000: Insurance premiums, permit and invoice processing, contract management, and mural site preparation.

The Project will commence immediately upon Council approval. Contract/amendment execution must be executed and 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 OCB'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 BEA, and that the approved spending categories adhere to those outlined in this transmittal.

OCB will report on its work accomplishments to the CAO, and funds expended to EWDD, on a quarterly and as-needed basis for their respective reports to the Bond Oversight Committee, Mayor, and CRA/LA.

COMMUNITY BENEFIT

The expenditures set forth in this report will provide community benefits in the Project Area which will benefit the affected taxing entities by implementing community beautification efforts through graffiti abatement. The graffiti abatement program aims to leverage local muralist culture to design and install murals with a protective coating in areas that otherwise suffer from tagging and blight. Local artists will bring together business owners, youth, and other stakeholders to transform defaced walls into points of pride for the community.

ENVIRONMENTAL REVIEW

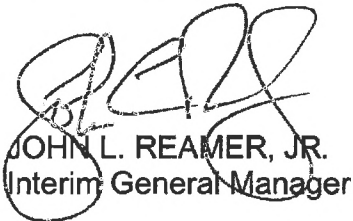
The Project, consisting of graffiti abatement services and improvements including, but not limited to, the removal of existing graffiti, anti-graffiti protection, and the installation of murals is exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to the Section 15301 of the State CEQA Guidelines. The Project is also exempt under the City CEQA Guidelines Article III, Class 1(4). A Notice of Exemption (Attachment 2) shall be filed by OCB with the City Clerk as well as the Los Angeles County Clerk upon approval of the project by the City Council.

CAO COVENANT REVIEW

The CAO has completed its review of the original bond documents and covenants, and has found that the proposed use of taxable EBP, as presented, is consistent with those covenants.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of EBP. The 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 C.F. 14-1174-S36). Said Transfers have been deposited with the Office of the Controller.



JOHN L. REAMER, JR.
Interim General Manager

JP:SH:DH:MMS:JL

ATTACHMENT 1: Motion (Rodriguez-Harris-Dawson) C. F. 14-1174-S67
2: Notice of Exemption (To be filed by OCB)

MOTION ECONOMIC DEVELOPMENT

Community beautification and graffiti abatement are important causes throughout the City of Los Angeles, as evidenced by Council support for public murals and paintings, the Graffiti Apprehension Reward program, and numerous other projects and programs. In certain areas that are continuously plagued with graffiti, and where graffiti removal services are not enough to combat the problem, murals have been proven to serve as an effective means of abating graffiti. A portion of Council District 7, located in the Pacoima/Panorama City Redevelopment Project Area, has been identified as in need of graffiti abatement services and improvements. These improvements may include, but are not limited to, the removal of existing graffiti, anti-graffiti protection, and the installation of murals. However, funding is needed to fully implement these improvements.

Funds are available to Council District 7 through taxable and tax-exempt CRA/LA Excess Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area that can help fund the Pacoima/Panorama City Graffiti Abatement 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 taxable and tax-exempt CRA/LA Excess Bond Proceeds towards a Graffiti Abatement project in the Pacoima/Panorama City Redevelopment Project Area is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Board of Public Works through the Office of Community Beautification, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate up to \$500,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 7 for a Graffiti Abatement project as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pacoima/Panorama City Redevelopment Project Area.

I FURTHER MOVE that \$500,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 7 from the Pacoima/Panorama City Redevelopment Project Area be utilized by the Office of Community Beautification to fund the Pacoima/Panorama City Graffiti Abatement Project upon City Council approval of the forthcoming Economic and Workforce Development Department report.

PRESENTED BY Monica Rodriguez
MONICA RODRIGUEZ
Councilmember, 7th District

SECONDED BY [Signature]

ORIGINAL

MAR 10 2019

[Handwritten initials]

COUNTY CLERK'S USE

**CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
ROOM 395, CITY HALL
LOS ANGELES, CALIFORNIA 90012
CALIFORNIA ENVIRONMENTAL QUALITY ACT
NOTICE OF EXEMPTION
(Articles II and III – City CEQA Guidelines)**

CITY CLERK'S USE

Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, California, 90650, pursuant to Public Resources Code Section 21152(b). Pursuant to Public Resources Code Section 21167(d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project.

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| LEAD CITY AGENCY AND ADDRESS: City of Los Angeles c/o Los Angeles City Engineer 1149 S. Broadway, MS 939 Los Angeles, CA 90015 | COUNCIL DISTRICT 7 |
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| PROJECT TITLE: S67 Graffiti Abatement | LOG REFERENCE |
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PROJECT LOCATION: Pacoima/Panorama City Redevelopment Project Area (Project Area)

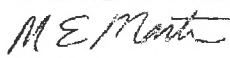
DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT. The Office of Community Beautification is proposing a graffiti abatement program (Program) to reduce blight and to transform graffiti defaced walls into points of pride for the community in the Project Area. Graffiti abatement is identified in the Project Area's Bond Spending Plan (BSP) that was adopted by the Los Angeles City Council on June 24, 2015 (Council File 14-117). This program includes, but is not limited to, the removal of existing graffiti, anti-graffiti protection, and installation of murals (with protective coating) by local artists. Those living, residing, or passing through the Project Area will benefit from this community beautification effort. The Program would also bring together business owners, youth, and other stakeholders to encourage the local economy.

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| CONTACT PERSON Shilpa Gupta | TELEPHONE NUMBER 213-485-4560 |
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|--|---------------------------------|------------------------------|
| EXEMPT STATUS: (Check One) | CITY CEQA GUIDELINES | STATE CEQA GUIDELINES |
| <input type="checkbox"/> MINISTERIAL | Art. II, Sec. 2.b | Sec. 15268 |
| <input type="checkbox"/> DECLARED EMERGENCY | Art. II, Sec. 2.a(1) | Sec. 15269(a) |
| <input type="checkbox"/> EMERGENCY PROJECT | Art. II, Sec. 2.a(2) | Sec. 15269(b)(c) |
| <input type="checkbox"/> GENERAL EXEMPTION | Art. II, Sec. 1 | Sec. 15061(b)(3) |
| <input checked="" type="checkbox"/> CATEGORICAL EXEMPTION* | Art. III, Sec. 1 Class 1 Cat. 4 | Sec. 15301(d) |
| <input type="checkbox"/> STATUTORY* | Art. _____ | Sec. _____ |

* See Public Resources Code Sec. 21080 and set forth state and city guidelines provisions.

JUSTIFICATION FOR PROJECT EXEMPTION: The Project is exempt pursuant to *California Environmental Quality Act (CEQA) Guidelines* Article 19, Section 15301, Class 1 (d) *Existing Facilities*. The Project is also exempt under the *Los Angeles City CEQA Guidelines* Article III, Section 1, Class 1, *Existing Facilities*, Category 4. The Project is exempt under the above Classes and Categories because it consists of repair or maintenance of existing public structures involving negligible or no expansion of use, e.g., restoration or rehabilitation of damaged structures to meet current standards of public health, safety, and environmental protection.

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| SIGNATURE:  Maria Martin | TITLE: Environmental Affairs Officer Environmental Management Group | DATE: 5/22/19 |
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|------------------------------|--------------------|-----------------|-------------|
| FEE: \$75.00 _____ | RECEIPT NO. | REC'D BY | DATE |
|------------------------------|--------------------|-----------------|-------------|

DISTRIBUTION: (1) County Clerk (2) City Clerk (3) Agency Record