

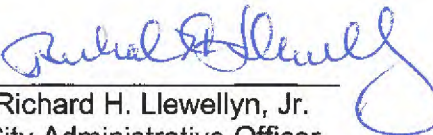
0111-31341-0127

TRANSMITTAL

| | | |
|---|------------------|---------------------------------|
| TO Council | DATE 09-04-19 | COUNCIL FILE NO. 14-1174-S70 |
| FROM CRA/LA Bond Oversight Committee | | COUNCIL DISTRICT 1 |

At its regular meeting on August 29, 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 \$125,529, plus earned interest, in CRA/LA Excess Non-Housing Bond Proceeds from the Adelante Eastside Redevelopment Project Area (Taxable Series 2005-B and 2007-C and Tax Exempt Series 2009-D) for the Adelante Eastside Public 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:nsh15200029

Attachment – August 29, 2019 EWDD Report – Adelante Eastside Public 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

August 29, 2019

Council File:14-1174-S70
Council District No.: 1
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 \$125,529 PLUS ALL EARNED INTEREST IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2005-B & 2007-C AND TAX-EXEMPT SERIES 2009-D) FOR THE ADELANTE EASTSIDE PUBLIC 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 (BOC) recommend that the City Council, subject to the approval of the Mayor as required:

1. **DETERMINE** that the Adelante Eastside Public Improvements Project (Project), consisting of appropriating and withholding expenditure of funds for Project pending the completion, review and consideration of planning and environmental documents related to sidewalk and intersection improvements in the Adelante Eastside redevelopment project area, 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. APPROVE up to \$31,267 in taxable, and \$94,262 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a combined total of \$125,529 plus all earned interest (Interest) available to Council District (CD) 1 from the Adelante Eastside Redevelopment Project Area (Project Area) to be utilized for Project;
 3. AUTHORIZE the Department of Public Works, Bureau of Street Services (StreetsLA) to be the implementing department for Project;
 4. AUTHORIZE the Controller, subject to the conditions below and availability of funds and duly executed and encumbered contract(s) no later than November 30, 2019, to expend up to \$31,267 plus Interest from the EBP Fund No. 57D, Account Nos. 22L9AT and/or 22S9AT Adelante Eastside Taxable Series 2005-B and 2007-C, and \$94,262 plus Interest from Account Nos. 22L9AN and/or 22S9AN Adelante Eastside Tax-Exempt Series 2009-D, for activities related to 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. AUTHORIZE StreetsLA to perform limited preliminary planning as may be necessary to conduct the environmental review for the Project from the above-noted funds appropriated to the Project;
 6. 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;
 7. INSTRUCT StreetsLA to expend the CRA/LA EBP allocation no later than September 30, 2024;
 8. DIRECT StreetsLA 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; and
 9. 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 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 1 Motion (Cedillo-Huizar) which was adopted by Council on June 12, 2019 (C.F. 14-1174-S70).

This Motion requested that all remaining taxable and tax-exempt EBP plus Interest in the Project Area within CD 1 be appropriated to the Department of Transportation to implement various public improvements necessary to enhance pedestrian safety. Pursuant to subsequent discussions, StreetsLA was designated as the lead department to oversee Project. Public improvements in the form of sidewalk repairs on Alhambra Avenue, and crosswalk and intersection 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). Sufficient funds for this purpose are available from CD 1's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in the Project Area available to CD 1 was \$131,485. After the 16% (\$5,956) taxable administrative EBP, the net remaining EBP was \$125,529. Interest through June 30, 2019 in Project Area for CD 1 brings the total amount available to \$132,183 for Project. This transmittal's proposed EBP allocation will completely exhaust CD 1's EBP in the Project Area.

EWDD ANALYSIS

EWDD and the BOC team met with CD 1 and StreetsLA regarding Project. The proposed improvements are located in sections of CD 1 within Project Area. Project improvements include sidewalk repair on Alhambra Avenue, plus improvements at different intersections in Project Area. The initial cost estimate for Project is \$132,183 which will be 100% funded by CD 1's EBP plus Interest through June 30, 2019.

The proposed scope of work and estimated budget breakdown is as follows:

| | |
|------------------------------------|------------------|
| 1. Design and Coordination | \$30,000 |
| 2. Sidewalk Repair | \$55,000 |
| 3. Intersection Improvements | \$35,000 |
| 4. Contingency | <u>\$12,183</u> |
| Total Project Cost Estimate | \$132,183 |

Since the work scope is all construction related, the entire taxable and tax-exempt EBP allocation can be used for any of the above activities.

Upon Council adoption and City compliance with CEQA, design and construction document preparation can start as early as October 2019, with completion expected in six months. Construction is estimated to begin in April 2020, and finish in August 2020.

Contract execution and funding encumbrance must occur no later than November 30, 2019 with EBP allocation 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 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 actual expenditures adhere to those categories and amounts outlined in this transmittal.

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

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits through increased safety generated by these important infrastructure improvements. The sidewalk and intersection improvements from Project will benefit nearby residences, businesses, the students and their families who access the many schools in the neighborhood, including the California Children's Academy Pre-School, Griffin Elementary School, and Sacred Heart High School. These improvements will also enhance the ability and safety of residents, pedestrians and bicyclists' access to the nearby Lincoln Park.

ENVIRONMENTAL REVIEW

The City of Los Angeles Housing and Community Investment Department and StreetsLA 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 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 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 Project, similar to other regular government budgeting activities. But, just as such occurs with other City budgeting procedures, no construction of 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 Project, including obtaining any necessary CEQA clearances prior to final consideration and approval of Project. This process is intended to ensure compliance with CEQA by evaluating and considering the environmental impacts before deciding whether to proceed with Project. If the City ultimately determines not to

proceed with Project after it has considered the environmental impacts, the remaining funds will not be used on 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 Project. Rather, such documents merely facilitate assisting BPW with evaluating whether Project will potentially impact the environment when it considers whether to approve 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 allocation of CRA/LA EBP. The CRA/LA EBP Fund No. 57D is funded solely from transfers of approximately \$88.4 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174, 14-1174-S36 and 14-1174-S78). Said Transfers have been deposited with the Office of the Controller.



JOHN L. REAMER, JR.
Interim General Manager

JLR:SH:DH:NSH:MMS:JL

ATTACHMENT: Motion (Cedillo-Huizar) C. F. 14-1174-S70

MOTION ECONOMIC DEVELOPMENT

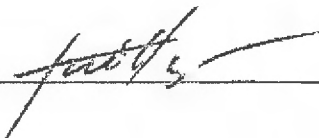
Improving the daily safety of pedestrians, bicyclists and drivers is a top priority throughout the City of Los Angeles. The pedestrian experience in areas of Council District 1 has deteriorated as the sidewalk infrastructure has aged and fallen into disrepair. Various public improvements necessary to enhance pedestrian safety along important corridors in Council District 1 have been identified, including sidewalk repair and traffic calming measures.

Funds are available to Council District 1 through taxable and tax-exempt CRA/LA Excess Bond Proceeds from the Adelante Eastside Redevelopment Project Area that can help fund the Adelante Eastside Public Improvements 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 various public improvements in the Adelante Eastside Redevelopment Project Area is identified as eligible expenses 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, Department of Transportation, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate all remaining taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 1, including any earned interest, for various public improvements as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Adelante Eastside Redevelopment Project Area.

I FURTHER MOVE that all remaining taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 1 from the Adelante Eastside Redevelopment Project Area, including any earned interest, be utilized by the Department of Transportation to fund the Adelante Eastside Public Improvements Project upon City Council approval of the forthcoming Economic and Workforce Development Department report.

PRESENTED BY 
GILBERT A. CEDILLO
Councilmember, 1st District

SECONDED BY 

ORIGINAL

