

**CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE**

CAO W.A. #0111-31341-0000
C.F. 14-1174-S7
Council District 7

Date: June 3, 2016

To: The Council

From: Miguel A. Santana, City Administrative Officer
Chair, CRA/LA Bond Oversight Committee



Subject: TRANSMITTAL – REPORT FROM THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT (EWDD) REQUESTING APPROVAL TO APPROPRIATE \$162,078 IN CRA/DLA EXCESS BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY PROJECT AREA WITHIN COUNCIL DISTRICT 7 FOR PUBLIC INFRASTRUCTURE PROJECTS ALONG VAN NUYS BOULEVARD BETWEEN LAUREL CANYON BOULEVARD AND SAN FERNANDO ROAD

At the CRA/LA Bond Oversight Committee (BOC) meeting on May 26, 2016, the Committee considered the attached report from the Economic and Workforce Development Department (EWDD) and adopted the recommendations with amendments. The amended recommendations, as adopted by the BOC, and now forwarded for Mayor and Council consideration below are:

That the Council, subject to the approval of the Mayor:

1. APPROVE \$162,078 in CRA/LA Excess Bond Proceeds available to Council District 7 from the Pacoima/Panorama City Redevelopment Project Area within the district be utilized to rehabilitate public infrastructure;
2. AUTHORIZE the Controller to:
 - a. Establish a new account 22M186, titled PW-Bureau of Street Services within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D.
 - b. Transfer appropriations within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

Acct No.	Acct. Name	Amount
From:		
22L9MN	Pacoima/Panorama City, Series D (tax-exempt)	162,078
	Total	162,078
To:		
22M186	Bureau of Street Services	162,078

c. Increase Fund 100/86 appropriations as follows:

Acct No.	Acct. Name	Amount
001010	Salaries-General	30,000
001090	Salaries-Overtime	35,000
003030	Constructions Expense	30,000
003040	Contractual Services	28,000
006020	Operating Supplies	39,078
	Total	162,078

3. AUTHORIZE EWDD to transfer cash up to \$162,078 from CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Department 22, Account 22M186, titled PW-Bureau of Street Services to General Fund No.100/86.
4. AUTHORIZE the Bureau of Street Services (BSS) to perform capital improvements to public infrastructure along Van Nuys Boulevard between Laurel Canyon Boulevard and San Fernando Road. The capital improvements will include replacing one northbound travel lane with a northbound bike lane, and adding a protected southbound bike lane, a parklet and bulb-out features; and
5. 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 Office of the City Administrative Officer (CAO) and authorize the Controller to implement these instructions.

FISCAL IMPACT

There is no impact on the City's General Fund from the proposed allocation of CRA-LA/DLA Excess Bond Proceeds. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (CF 14-1174). Said transfer has been deposited with the Office of the Controller.

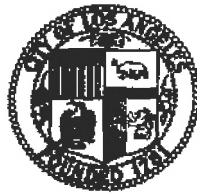
Attachment
MAS:SMR:15160021

JAN PERRY
GENERAL MANAGER

City of Los Angeles
CALIFORNIA

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017



ERIC GARCETTI
MAYOR

May 26, 2015

Council File: 14-1174-S7
Council District No.: 7
Contact Persons & Extensions:
Meg Barclay: (213) 744-9340

CRA/LA Bond Oversight Committee
c/o Stephanie Magnien
Office of the City Administrative Officer
Room 1500, City Hall East

**COMMITTEE TRANSMITTAL: REQUEST APPROVAL TO APPROPRIATE \$162,078
IN CRA/LA EXCESS BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY
REDEVELOPMENT PROJECT AREA FOR INFRASTRUCTURE IMPROVEMENTS**

The General Manager of Economic and Workforce Development Department (EWDD) requests your referral of this transmittal to the appropriate Council Committee(s) and the City Council for their review and consideration.

SUMMARY

Transmitted herewith for your review, approval and further processing are recommendations pursuant to Motion (Fuentes – Buscaino) dated April 12, 2016 (CF 14-1174-S7), adopted by Council on April 19, 2016. The Motion proposes to appropriate - \$162,078 in Community Redevelopment Agency of the City of Los Angeles' non-housing Excess Bond Proceeds (EBP) available to Council District (CD) 7 from the Pacoima/Panorama City Redevelopment Project Area (Project Area) for public infrastructure improvements along Van Nuys Boulevard between Laurel Canyon Boulevard and San Fernando Road. The proposed use of funds is permissible under the Bond Spending Plan (BSP) adopted by City Council on October 29, 2014 (CF 14-1174). Sufficient funds for this purpose are available from CD 7's portion of the EBP in this Project Area.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Mayor and City Council:

1. APPROVE \$162,078 in CRA/LA Excess Bond Proceeds available to Council District 7 from the Pacoima/Panorama City Redevelopment Project Area within

the district be utilized to rehabilitate public infrastructure, pending CAO determination that this use of funds is consistent with the redevelopment purposes for which the bonds were sold; is consistent with the applicable bond covenants as set forth in the bond documents, Bond Expenditure Agreement, applicable provisions of the Community Redevelopment Law and Redevelopment Plans, and the BSP;

2. AUTHORIZE the Controller to:
 - a. Establish a new account 22M186, titled PW-Bureau of Street Services within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D.
 - b. Transfer appropriations within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

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5. 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 Office of the City

Administrative Officer (CAO) and authorize the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (CF 14-1174). Said transfer has been deposited with the Office of the Controller.

BACKGROUND

Pursuant to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles on February 1, 2012, CRA/LA, a Designated Local Authority (CRA/LA) was established on February 3, 2012 to serve as the successor agency. 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 of Los Angeles (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 \$84.1M 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% 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, City Administrative Officer, 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 as follows:

1. Public Infrastructure – Capital improvements to roadways, utility infrastructure, streetscapes and sidewalks;
2. Community Facilities/Open Space – Land acquisition, new construction and improvements to schools, libraries, community centers, parks, public plazas, museums, theaters;
3. Affordable Housing Projects – Land acquisition, new construction, rehabilitation of existing buildings, and preservation of affordability covenants; and
4. Business Assistance and Catalytic Commercial Development – Establishment and investment in Business Districts to create jobs, façade programs, technical assistance to small businesses, development of underutilized/contaminated sites to address blight, develop catalytic projects to attract private investment, and rehabilitation of historic/commercial buildings.

Additionally, potential projects, including high priority investments, are identified per project area.

The City will use the EBP for redevelopment purposes for which the bonds were sold and consistent with the applicable bond covenants as set forth in the bond documents, BEA, applicable provisions of the Community Redevelopment Law and Redevelopment Plans, and the BSP. The BSP allows the City to transfer funds between projects, programs and activities as long as the funds remain within the Redevelopment Project Area from which the EBP are derived.

CD 7 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

The CD 7 portion of the initial EBP from the Pacoima/Panorama City Redevelopment Project Area amounts to \$10,215,250. CD 7's initial EBP consist of \$8,878,527 in tax-exempt bond proceeds, and \$1,336,723 in taxable bond proceeds in one project area. These funds are detailed below:

CRA Project Area	CD 7's Percentage Share of Project Area EBP	Tax-Exempt Bond Proceeds	Taxable Bond Proceeds	Total Bond Proceeds in Project Area
Pacoima/Panorama City	59 %	\$8,878,527	\$1,336,723	\$10,215,250
TOTAL		\$8,878,527	\$1,336,723	\$10,215,250

Approved bond spending within the Pacoima/Panorama City Redevelopment Project Area project area totals \$17,313,983. This Redevelopment Project Area spans Council Districts 2, 6 and 7. The BSP does not break down proposed bond spending on potential projects by Council District. Expenditures for the entire area are estimated as follows for each project area:

CRA Project Area	Estimated Expenditures				Total Project Area Spending
	Infrastructure	Community Facilities	Affordable Housing	Business Assistance	
Pacoima/Panorama City	\$10,000,000	\$2,448,351	\$2,600,000	\$2,265,632	\$17,313,983
TOTAL	\$10,000,000	\$2,448,351	\$2,600,000	\$2,265,632	\$17,313,983

ANALYSIS AND RECOMMENDATIONS

Councilmember Fuentes, along with the Mayor's Great Street Studio and the Department of Transportation (DOT), are working together to implement safety improvements on Van Nuys Boulevard in CD 7, which is also one of the 15 Great Street segments. Van Nuys Boulevard is currently one of the segments on the high injury

network of the City's newly adopted Vision Zero Strategic Plan which seeks to reduce traffic fatalities to zero by 2025. The Van Nuys Road Diet will reconfigure Van Nuys Boulevard from Laurel Canyon to San Fernando Road to reduce vehicular speed and increase pedestrian and bicycle safety along the corridor. In the short term, the project team is looking at a number of elements that will make Van Nuys Boulevard into a more complete street segment which may include continental crosswalks, eliminating one or more travel lanes, curb extensions, removing roadway medians and adding parklets, and bike lanes.

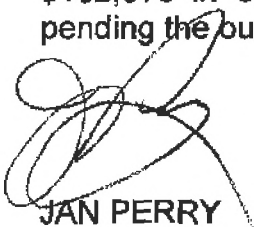
CD 7's motion (Motion), adopted by Council on April 19, 2016, proposes to invest \$162,078 in available EBP to implement public infrastructure improvements along Van Nuys Boulevard between Laurel Canyon Boulevard and San Fernando Road.

EWDD has consulted with CD 7 staff and BSS regarding the Motion, and the scope of work. The anticipated work to be performed by BSS will include:

- Sawcutting and removing two (2) landscaped median islands to a depth of 8 inches;
- Excavating an additional 6 inches for base material;
- Importing and compacting 6 inches of Crushed Miscellaneous Base material;
- Replacing 6,200 square feet of paving;
- Removing two (2) controllers, two (2) backflow devices, and two (2) water meters; and
- Project management.

This project is expected to be completed within three months; and BSS will report back to EWDD regarding work accomplished and funds expended for the EWDD's quarterly and semi-annual reports to CRA/LA.

At the time of this report the CAO is reviewing this use of tax exempt (Pacoima/Panorama City, Series D) proceeds for compliance with all intents and covenants outlined in the BSP, BEA, bond covenants and applicable Community Redevelopment laws. This review is expected to be complete in time for Bond Oversight Committee consideration of this matter. As such, we recommend that \$162,078 in CRA/LA EBP be appropriated for the purposes outlined in the Motion, pending the outcome of the CAO's review.



JAN PERRY
General Manager

JP:SH:MB:MMS:RBV

ATTACHMENT: Motion (Fuentes – Buscaino)