

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to approval of the \$162,078 appropriation in Community Redevelopment Agency of the City of Los Angeles (CRA-LA) excess bond proceeds from the Pacoima/Panorama City Redevelopment Project Area for infrastructure improvements.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE \$162,078 in CRA-LA Excess Bond Proceeds available to Council District Seven from the Pacoima/Panorama City Redevelopment Project Area within the district to be utilized to rehabilitate public infrastructure.

2. AUTHORIZE the Controller to:

a. Establish a new account No. 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 Funds No. 57D as follows:

From:

<u>Account:</u>	<u>Name:</u>	<u>Amount:</u>
22L9MN	Pacoima/Panorama City- Series D (tax exempt)	\$162,078

To:

<u>Account:</u>	<u>Name:</u>	<u>Amount:</u>
22M186	Bureau of Street Services	\$162,078

c. Increase Fund No. 100/86 appropriations as follows:

<u>Account:</u>	<u>Title:</u>	<u>Amount:</u>
1010	Salaries- General	\$30,000
1090	Salaries- Overtime	35,000
3090	Constructions Expense	30,000
3040	Contractual Services	28,000
6020	Operating Supplies	<u>39,078</u>

Total: \$162,078

3. AUTHORIZE the Economic and Workforce Development Department (EWDD) to transfer cash up to \$162,078 from CRA-LA Excess Non-Housing Bond Proceeds Fund No. 57D/22, Account No. 22M186, titled PW- Bureau of Street Services to General Fund No.100/86.

4. AUTHORIZE the Bureau of Street Services to perform capital improvements to public

infrastructure along Van Nuys Boulevard between Laurel Canyon Boulevard and San Fernando Road with said capital improvements to include replacing one northbound travel lane with a northbound bike lane, and adding a protected southbound bike lane, a parklet and bulb-out features.

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: The CAO reports that there is no impact on the City's General Fund from the proposed allocation of CRA-LA Excess Bond Proceeds. The CRA-LA Excess Non-Housing Bond 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 (Council File No. 14-1174). Said transfer has been deposited with the Office of the Controller.

Community Impact Statement: None submitted.

Summary:

On June 14, 2016, your Committee considered a June 3, 2016 CRA-LA Bond Oversight Committee report relative to approval to appropriate \$162,078 in CRA-LA excess bond proceeds from the Pacoima/Panorama City Redevelopment Project Area for infrastructure improvements. According to the EWDD, 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-DLA) 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 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 \$84.1 million 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 percent of taxable EBP to be expended on staff administration and project evaluation costs.

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.

The Council District (CD) Seven portion of the initial EBP from the Pacoima/Panorama City Redevelopment Project Area amounts to \$10,215,250. CD Seven's initial EBP consists of \$8,878,527 in tax-exempt bond proceeds, and \$1,336,723 in taxable bond proceeds in one

project area. Specific details are provided in the Committee report, attached to the Council file.

Per the Motion (Fuentes - Buscaino) previously adopted on this Council file on April 19, 2016, it is proposed that \$162,078 in available EBP be invested to implement public infrastructure improvements along Van Nuys Boulevard between Laurel Canyon Boulevard and San Fernando Road. The EWDD has consulted with CD Seven staff and the BSS regarding the Motion, and the scope of work. The anticipated work to be performed by BSS will include:

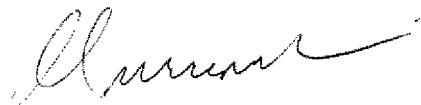
- a. Sawcutting and removing two landscaped median islands to a depth of 8 inches.
- b. Excavating an additional six inches for base material.
- c. Importing and compacting six inches of Crushed Miscellaneous Base material.
- d. Replacing 6,200 square feet of paving.
- e. Removing two controllers, two backflow devices, and two water meters.
- f. 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 present, 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 and as such, it is recommended that \$162,078 in CRA-LA EBP be appropriated for the purposes outlined in the Motion, pending the outcome of the CAO's review.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the June 3, 2016 CRA-LA Bond Oversight Committee report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS_DAWSON:	YES
KREKORIAN:	YES
MARTINEZ:	YES

ARL

6/14/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-