

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the appropriation of \$1,871,370 in Community Redevelopment Agency Los Angeles - Designated Local Authority (CRA-LA/DLA) excess bond proceeds from the East Hollywood/Beverly-Normandie Redevelopment Project Area within Council District 13 for improvements of community facilities.

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

1. APPROVE \$1,871,370 in CRA/LA Excess Bond Proceeds available to Council District 13 from the East Hollywood/Beverly-Normandie Redevelopment Project Area within the district to be utilized to rehabilitate the Barnsdall Park community facilities.
2. AUTHORIZE the Economic and Workforce Development Department (EWDD) to transfer \$1,871,370 from CRA-LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9NT- East Hollywood/Beverly-Normandie, and appropriate \$1,871,370 to Fund No. 869/40, Project Restore Trust Fund, Account No. 400395, Residence A.
3. AUTHORIZE the Department of General Services to expend funds not to exceed \$1,871,370 from Fund No. 869/40, Project Restore Trust Fund, Account No. 400395, Residence A, for the improvement to the Barnsdall Park community facilities which are located in the Promise Zone as identified in the Bond Spending Plan for this Project Area.
4. AUTHORIZE the Project Restore to perform project management for the phase one restoration activities identified for Residence A.
5. AUTHORIZE the Controller to:
 - a. Establish a new inter fund account No. 22M869 titled Project Restore Trust Fund within CRA-LA Excess Non-Housing Bond Proceeds Fund No. 57D.
 - b. Transfer appropriations within CRA-LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

From:

<u>Account:</u>	<u>Name:</u>	<u>Amount:</u>
22L9ET	East Hollywood/Beverly Normandie	\$1,871,370

To:

<u>Account:</u>	<u>Name:</u>	<u>Amount:</u>
22M869	Project Restore Trust Fund	\$1,871,370

- c. Transfer appropriation of \$1,871,370 from newly established account 22M869, titled Project Restore Trust Fund, CRA-LA Excess Non-Housing Bond Proceeds Fund No. 57D/22 to Project Restore Trust Fund No. 869/40, Account No. 400395, Residence A.

6. 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/DLA 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 the appropriation of \$1,871,370 in CRA-LA/DLA excess bond proceeds from the East Hollywood/Beverly-Normandie Redevelopment Project Area within Council District 13 for improvements of community facilities. 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. Council District (CD) 13 is entitled to \$10,339,129 in Excess Bond Proceeds over four project areas: East Hollywood/Beverly-Normandie, Hollywood, Westlake Recovery, and Wilshire Center/Koreatown. CD 13's EBP consist of \$6,150,061 in tax-exempt bond proceeds in 3 projects areas, and \$4,189,069 in taxable bond proceeds in all four project areas. Specific details are provided in the Committee report, attached to the Council file.

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-