

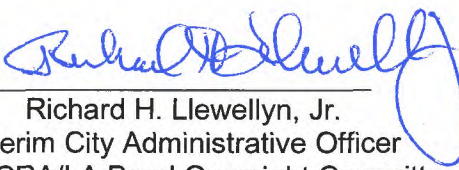
0111-31341-0013

**TRANSMITTAL**

To: Council	DATE 04-21-17	COUNCIL FILE NO. 14-1174-S12
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 7

At its meeting of April 18, 2017 the CRA/LA Bond Oversight Committee (BOC) adopted the recommendations of the attached Economic Workforce Development Department (EWDD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize the Bureau of Sanitation to execute an agreement with Trust for Public Land for an amount not to exceed \$1,229,031 in CRA/LA Excess Bond Proceeds available to Council District 7 within the Pacoima/Panorama City Project Area for public infrastructure improvements related to the Bradley Green Alley project.

Fiscal Impact Statement: There is no General Fund impact from the proposed allocation of CRA/LA Excess Bond Proceeds.

  
Richard H. Llewellyn, Jr.  
Interim City Administrative Officer  
Chair, CRA/LA Bond Oversight Committee

RHL:JVW:SMR:15170072

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April 18, 2017

Council File: 14-1174-S12  
Council District No.: 7  
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CRA/LA Bond Oversight Committee  
c/o Stephanie Magnien Rockwell  
Office of the City Administrative Officer  
Room 1500, City Hall East

**COMMITTEE TRANSMITTAL: REQUEST COMMITTEE REVIEW AND  
RECOMMENDATION TO COUNCIL TO APPROPRIATE \$1,229,031 IN CRA/LA  
EXCESS BOND PROCEEDS FROM THE PACOIMA/PANORAMA  
REDEVELOPMENT PROJECT AREA, TAX-EXEMPT SERIES D FOR PUBLIC  
INFRASTRUCTURE IMPROVEMENTS (BRADLEY GREEN ALLEY PROJECT)**

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval and processing of the recommendations in 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 – Harris-Dawson) dated June 24, 2016 (C.F. 14-1174-S12), adopted by Council on July 1, 2016. The Motion proposes to appropriate \$4,000,000 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 Bradley Avenue. The proposed use of funds is permissible under the Bond Spending Plan (BSP) adopted by City Council on October 29, 2014 (C.F. 14-1174). Sufficient funds for this purpose are available from CD 7's portion of the EBP in this Project Area.

Council District 7 has requested that the entire appropriation be bifurcated so that a project ready component (Project 1 - Bradley Green Alley for \$1,229,031) can be presented for immediate Committee consideration.

**RECOMMENDATIONS**

The General Manager, EWDD, requests that the Bond Oversight Committee review, approve and process the following recommendations for Council approval:

1. APPROVE \$1,229,031 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 22N916 titled Stormwater Pollution Abatement 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:

From:

Account No.	Account Name	Amount
22L9MN	Pacoima/Panorama City Tax-Exempt	\$1,229,031
To:		
22N916	Stormwater Pollution Abatement	\$1,229,031

- c. Transfer appropriations as follows:

From:

Fund/Dept.	Account	Account Name	Amount
57D/22	22N916	Stormwater Pollution Abatement	\$1,229,031
To:			
511/50	50NSAP	Bradley Plaza Green Alley Project	\$1,229,031

3. AUTHORIZE EWDD to transfer cash as needed up to \$1,229,031 from CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Department 22, to Stormwater Pollution Abatement Fund No. 511, Department 50, upon presentation of proper documentation;
4. AUTHORIZE the Board of Public Works, Bureau of Sanitation (BOS) to be the implementing department for capital improvements to public infrastructure along Bradley Avenue;
5. APPROVE the use of \$1,229,031 in CRA/LA Non-Housing Excess Bond Proceeds subject to the project’s Categorical Exemption or compliance with environmental reviews under the City’s California Environmental Quality Act guidelines;
6. AUTHORIZE the Board of Public Works, BOS, to enter into and execute a Memorandum of Understanding or contract with Trust of Public Land to perform

design, project management, construction and monitoring services of the Bradley Green Alley project. The capital improvements will include hydrological infrastructure and aesthetic pedestrian enhancements to a public alley; and

7. 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 Bond Oversight Committee, 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 the CRA/LA to the City (C.F. 14-1174). Said transfer has been deposited with the Office of the Controller.

**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 consists of \$8,878,527 in tax-exempt bond proceeds, and \$1,336,723 in taxable bond proceeds in a single 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
<b>TOTAL</b>		<b>\$8,878,527</b>	<b>\$1,336,723</b>	<b>\$10,215,250</b>

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

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
<b>TOTAL</b>	<b>\$10,000,000</b>	<b>\$2,448,351</b>	<b>\$2,600,000</b>	<b>\$2,265,632</b>	<b>\$17,313,983</b>

## **ANALYSIS AND RECOMMENDATIONS**

CD 7's Motion, adopted by Council on July 1, 2016, proposes to invest \$4,000,000 in available EBP to implement public infrastructure improvements. The EBP will be used to assist with the feasibility analysis, development costs, project management and other related administrative costs related to a façade program and public infrastructure improvements along or near Van Nuys Boulevard in Pacoima, reconstruction of the Pacoima Green Streets/Green Alley program, the Bradley Avenue Green Alley project, and a related apprenticeship program.

EWDD has met with staff from CD 7, BOS and the two non-profit organizations/contractors (Trust of Public Land, Pacoima Beautiful) regarding the Motion and the scope of work. Due to project readiness issues, the Council Office has asked that the components outlined in the Motion be bifurcated for immediate presentation to the BOC as follows:

- Project 1 – The Bradley Green Alley \$1,229,031
- Project 2 - Van Nuys Boulevard Façade Program
- Project 3 - Other Sidewalk/Public Infrastructure improvements; Apprenticeship program

Project 1 is the subject of this committee transmittal. Upon receipt of sufficient project details for Projects 2 and 3, the EWDD will transmit another report(s) to the BOC for further consideration and approval.

BOS will serve as the lead department to implement Project 1 - The Bradley Green Alley. This project will install hydrological infrastructure, and make aesthetic and pedestrian enhancements to an alley one block east of Van Nuys Boulevard between Lehigh Avenue and Pala Avenue. An analysis has determined that the project will have an expected average annual recharge of 6 to 7 acre feet of runoff. As such, it will also reduce pollutant loading discharge into the Los Angeles River.

The Los Angeles Department of Water and Power is contributing \$125,000 towards storm water capture infrastructure. Installation of the water features will incorporate artistic permeable pavers to provide an aesthetically pleasing conduit.

This project will also include pedestrian enhancement to the alley by removing blight, treating surfaces and permeable pavers to turn the alley into a shared street for cars, bikes and pedestrians, reducing the urban heat island effect by landscaping with native drought tolerant vegetation as part of bio-swales, and expanding features of the adjacent Bradley Plaza. The goal is to increase the alley's potential as a mobility route that connects to Van Nuys Boulevard, Bradley Plaza and the local schools and businesses. It will effectively expand Bradley Plaza into the alley thereby creating additional open space for recreation and programming.

The community benefits to the City of Los Angeles include: capturing and treating the storm water, preventing flooding, reducing heat island effect, providing better pedestrian and bicycle linkage from the San Fernando Gardens Housing Project to transit and commercial establishments along the Van Nuys corridor, reducing crime by increasing activity on the streets, and creating placemaking opportunities for community gatherings

and recreation.

The anticipated scope of work for the Bradley Green Alley will entail:

- Replacing Bradley Alley’s existing asphalt with pervious pavement
- Constructing dry wells with perforated under pipe along the alley
- Constructing flow-through bio-swales on Bradley Avenue and Van Nuys Blvd. (between Pala Ave. and Lehigh Ave.)
- Constructing aggregate infiltration trenches and infiltration planters
- Constructing an underground cistern located near drywells for irrigation use

The total cost estimate for Project 1 is \$2,402,806. Funding sources are broken down as follows:

CD 7 – Community Development Block Grant	\$ 850,000
Pacoima Beautiful – Liberty Hill/LA Waterkeeper	\$ 198,775*
Department of Water and Power	\$ 125,000
CRA/LAEBP	<u>\$ 1,229,031</u>
Total Project Cost Estimate	\$ 2,402,806

\* Pacoima Beautiful (PB) will apply for \$142,031 of the Waterkeeper funds through Liberty Hill towards administration and outreach. BOS will receive the remaining \$56,744 for its project oversight efforts.

The requested \$1,229,031 in CRA/LA EBP will fund the following items which will be 100% performed by Trust For Public Land (TPL):

General Construction Requirement	\$ 235,500
Demolition	\$ 64,612
Earthwork	\$ 99,190
Finish Improvement	\$ 210,090
Landscape	\$ 130,443
Infiltration Trench	\$ 171,170
Other Best Management Practices *	\$ 180,200
Water Quality Monitoring Equipment	\$ 26,096
Construction Contingency (10%)	<u>\$ 111,730</u>
Total Project Cost Funded By EBP	\$1,229,031

\* Other Best Management Practices components include Stormwater planter curbs, thermoplastic “No Dumping” warning signs, alley grating basin and filter inserts, Torrent Maxwell I, low flow inlet and outlet structures, type C integral curb and gutter and 10-inch PVC pipe.

BOS will develop a Memorandum of Agreement (MOA) with TPL and PB for the following services: design, project management, community outreach, construction and monitoring. TPL was selected for the Project due to their expertise and resources in designing and implementing projects for long-term stewardship of public spaces. The Project will build on the past and current efforts of the City and TPL on the Eco Alley

Walk project, now known as the Avalon Green Alley Network Demonstration project. Pacoima Beautiful has been a project partner since inception. Their services will be paid through the Liberty Hill grant. PB was selected to conduct the community outreach component of the project. PB is the only environmental justice organization in the Northeast San Fernando Valley involved and working on keeping community members of all ages engaged in the environmental justice movement through three community organizing initiatives: Clean UP Green Up, Complete Street and the Pacoima Wash Vision Plan.

Council CDBG reprogramming Motion dated December 13, 2016 (CF 15-1041-S7) sought a finding to validate that the TPL and PB could more economically or feasibly perform the scope of work for the project than the City employees in accordance with Charter Section 1022. Per Substitute Motion dated 1-27-17 (CF 15-1401-S7), adopted by Council on January 27, 2017, the 1022 was cleared. City Attorney and Housing and Community Investment Department (HCID) have confirmed that as a Community Block Grant sub-recipient, Trust for Public Land is exempt from procurement requirements. Therefore, sole sourcing does not apply.

After milestones such as MOA execution, preparation of design documents, and obtaining required permits have been achieved, construction on Project 1 is targeted to begin in the third quarter of FY 17/18. Construction is expected to last approximately 6 months. BOS will report the work accomplishments and fund expenditures quarterly to CAO in order to facilitate EWDD's reports to the BOC and the Mayor/CRA-LA Boards.

Projects 2 and 3 are in planning stages. The EWDD will continue to work with CD 7 and the implementing department(s) to bring those projects before the BOC at a later date for review and approval of the remaining \$2,770,969 EBP appropriation as requested in C.F. 14-1174-S12.

The CAO and City Attorney have reviewed the original bond documents, and find that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. EWDD will establish a new fund per each bond series, where applicable, prior to making any disbursements on expenditures. EWDD concurs with the use of \$1,229,031 (Pacoima/Panorama City, Tax-Exempt Series D) for the Bradley Green Alley project. It is recommended that \$1,229,031 in CRA/LA EBP be appropriated for the purpose outlined in the Motion.

## **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

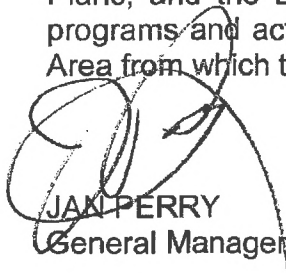
\$84.1 million in EBP from the CRA/LA to the City. The \$84.1M was generated by 26 bond issues of which 7 were tax exempt (\$41.4 million), and 19 were taxable (\$42.6 million). The EBP is to be spent on bond eligible purposes that are of maximum benefit to the City, and the Affected Taxing Entities 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, HCIDLA, 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, facade 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.



JACK PERRY  
General Manager

JP:SH:DH:MMS:YY

ATTACHMENT: Motion (Fuentes – Harris-Dawson) C.F. 14-1174-S12



