


TRANSMITTAL

To: Council	DATE 11-16-17	COUNCIL FILE NO. 14-1174-S27
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 4

At its special meeting on November 15, 2017, the Community Redevelopment Agency of Los Angeles (CRA/LA) Bond Oversight Committee approved recommendations in the attached Economic and Workforce Development Department report, which is hereby transmitted to Council for consideration. Adoption of the report recommendations would authorize the Department of General Services to utilize up to \$28,585 in CRA/LA Excess Bond Proceeds available to Council District 4 within the Hollywood Project Area for the Hollywood Municipal Building Exterior Painting Project.

Fiscal Impact Statement: Approval of the recommendations in this report will have no impact on the General Fund. 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 (C.F. 14-1174).

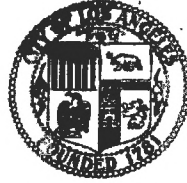

Richard H. Llewellyn, Jr.
Interim City Administrative Officer
Chair, CRA/LA Bond Oversight Committee

RHL:JVW:BA:15180044

Attachment

CITY OF LOS ANGELES

CALIFORNIA

ERIC GARCETTI
MAYORJAN PERRY
GENERAL MANAGER**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**1200 W. 7TH STREET
LOS ANGELES, CA 90017

November 13, 2017

Council File: 14-1174-S27
Council District No.: 4
Contact Persons & Extensions:
Daysi Hernandez: (213) 744-9340CRA/LA Bond Oversight Committee
c/o Jacqueline Wagner
Office of the City Administrative Officer
Room 1500, City Hall East**BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST BOND OVERSIGHT COMMITTEE REVIEW AND RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$28,585 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE HOLLYWOOD PROJECT AREA (2008 TAX-EXEMPT SERIES F) FOR THE HOLLYWOOD MUNICIPAL BUILDING EXTERIOR PAINT PROJECT (PUBLIC IMPROVEMENT ACTIVITIES)**

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval and processing of the recommendations in this transmittal to City Council and Mayor for their consideration.

SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 4 Motion (Ryu –Price) dated June 21, 2017 (CF 14-1174-S27) which was adopted by Council on June 30, 2017. The original Motion sought to appropriate up to \$76,700 in CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a landscaping contract to be overseen by the Department of Recreation and Parks at the Hollywood Municipal Building. The Council Office subsequently requested that the use be changed to painting the exterior of the same building by the General Services Department in a reduced amount of \$28,585. Change of use amongst the 4 funding categories within the same project area is permissible under the Bond Spending Plan (BSP).

The Hollywood Municipal Building serves as CD 4's Field Office. \$1.5 million in the only tax-exempt bond series (2008 F) in the Hollywood Project Area have been designated

for capital improvements to public facilities under the Community Facilities/Open Space funding category in the BSP. CD 4 has \$134,452 in taxable and \$653,528 in tax-exempt EBP available in the Hollywood Project Area for a total of \$787,980. After this proposed appropriation, CD 4's total share in the Hollywood Project Area will drop to \$759,395.

CD 4 will have \$1,264,805 in taxable, and \$718,278 in tax-exempt EBP for a combined total of \$1,983,083 EBP remaining in all 4 of its project areas.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Bond Oversight Committee recommend that the Council, subject to the approval of the Mayor as required:

1. **APPROVE** up to \$28,585 in CRA/LA Excess Non-Housing Bond Proceeds available to Council District 4 from the Hollywood Redevelopment Project Area within the district to be utilized for painting the exterior of the Hollywood Municipal Building located at 6501 Fountain Avenue, Hollywood;
2. **AUTHORIZE** the Controller, subject to the availability of funds, to give the General Services Department (GSD) access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to the Hollywood Municipal Building Exterior Paint Project;
3. **AUTHORIZE** the GSD to be the implementing department, and expend funds up to \$28,585 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9FN, Hollywood, Tax-exempt 2008 Series F for transactions related to the Hollywood Municipal Building Exterior Paint project upon proper documentation and demand of the General Manager, EWDD or designee, pursuant to satisfactory review by the EWDD; and
4. **AUTHORIZE** the 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 the 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.

ENVIRONMENTAL REVIEW

The recommended action will allow for the use of CRA/LA Excess Non-Housing Bond

proceeds for painting the exterior of the Hollywood Municipal Building. The Hollywood Municipal Building Exterior Paint Project is categorically exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (a) of the State CEQA Guidelines.

CD 4 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

There are 4 redevelopment project areas whose EBP fall within CD 4. There are a total of 9 bond series i.e. 4 tax-exempt bond series with \$ 1,875,709 EBP, and 5 taxable series with \$836,072 EBP amongst all 4 project areas. The details are reflected below:

CRA Project Area	Project Area % of EBP Within CD 4	Bond Proceeds Taxable	Bond Proceeds Tax-Exempt	Less: 16% Admin.	Available EBP in Project Area
East Hollywood	38%	\$ 1,221,788	\$ 0	\$ 195,486	\$ 1,026,302
Hollywood	11%	\$ 160,062	\$ 653,528	\$ 25,610	\$ 787,980
North Hollywood	2%	\$ 0	\$ 64,840	\$ 0	\$ 64,840
Wilshire/Koreatown	6.34%	\$ 493,859	\$ 117,704	\$ 79,017	\$ 532,546
TOTAL ORIG. EBP		\$ 1,875,709	\$ 836,072	\$ 300,113	\$ 2,411,668
Appropriated Amt	14-1174-S10	\$ 282,206	\$ 117,794	\$ 0	\$ 2,011,668
Proposed Amount	14-1174-S27	\$	\$ 28,585	\$ 0	\$ 1,983,083
BALANCE		\$ 1,593,503	\$ 689,693	\$ 300,113	\$ 1,983,083

The combined taxable and tax-exempt EBP in the Hollywood Project Area available to CD 4 is \$813,590. However, after the administrative appropriation of 16% taxable EBP, or \$25,610, only \$787,980 remains in the Hollywood project area for CD 4. The proposed \$28,585 tax-exempt appropriation will leave CD 4 with \$134,452 taxable, and \$624,943 tax-exempt EBP in the Hollywood Project Area.

BOC and Council approved an appropriation of \$400,000 EBP (\$282,206 taxable, \$117,794 tax-exempt) from the Wilshire/Koreatown Project Area (CF 14-1174-S10) towards CD 4's Western Avenue/Great Streets Façade/Trees/Murals Project. EWDD is working with the Council Office and implementing department (Public Works) to complete three contracts in order to make disbursement on invoices.

CD 4's 11% share of the Hollywood Project Area yields the following amounts for the eligible funding categories:

Hollywood Project Area	Infrastructure	Community Facilities	Affordable Housing	Business Assistance	Total Project Area Spending
Taxable	\$ 0	\$ 0	\$ 0	\$ 134,452	\$ 134,452
Tax-Exempt	\$ 378,528	\$ 165,000	\$ 110,000	\$ 0	\$ 653,528
TOTAL	\$ 378,528	\$ 165,000	\$ 110,000	\$ 134,452	\$ 787,980

The Hollywood Municipal Building Exterior Paint Project is eligible under the BSP's funding category of Communities Facilities/Open Space for capital improvements to public facilities.

ANALYSIS AND RECOMMENDATIONS

CD 4's original motion (CF 14-1174-S27), adopted by Council on June 30, 2017, requested that \$76,700 in tax exempt EBP (Series 2008 F) from the Hollywood Project Area be appropriated in order for the Department of Recreation and Parks to implement public improvements related to its contract with American Landscape for the Hollywood Municipal Building. The Hollywood Municipal Building, located at 6501 Fountain Avenue in Hollywood, is one of 7 neighborhood City Halls in the City which houses CD 4's field office. The Council Office subsequently requested that the proposed use be changed to painting the exterior of this building, and reduce the amount to \$28,585. Changing the use amongst the 4 eligible funding categories within a project area is permitted under the BSP. EWDD has consulted with the Office of the Chief Legislative Analyst, which has determined that a new motion is not necessary for this change of use.

EWDD has met and consulted with CD 4, followed by communications with the General Services Department, regarding the revised project. The exterior paint project is expected to take 4 weeks and 360 hours to complete. The scope of work involves:

- Task 1: Preparing exterior surfaces for painting, stucco, windows, doors, door frames, handrails, fascia trim, patching, and sanding feather edge surfaces;
- Task 2: Following surface preparation, the exterior is to have one coat of primer and finished with two coats of exterior paint; and
- Renting a lift to reach areas of significant height.

This assignment is expected to be performed by a crew of 2 to 2.5 painters. GSD will use hiring hall staff, and according to GSD's Budgetary Estimate, their rate schedule and hours per staff/per task are as follows:

	Job Class	No of Hours	Direct Cost	Related Cost	Total Cost
Task 1	HH Painter	36	\$ 1,782		\$ 1,782
	HH Painter	36	\$ 1,782		\$ 1,782
	HH Painter	36	\$ 1,782		\$ 1,782
Task 2	HH Painter	84	\$ 4,158		\$ 4,158
	HH Painter	84	\$ 4,158		\$ 4,158
	HH Painter	84	\$ 4,158		\$ 4,158
	Subtotal	360			\$17,820
	OP Support				\$ 406
	Supervion & Estimating				\$ 1,908
	Materials/Sub-Contractor				\$ 2,587
	Contingency				\$ 4,764
	Lift-Rental				\$ 1,100
	Total:	360		\$ -	\$28,585


Community Benefits

The Hollywood Constituent Center serves as the main hub for City services for the Hollywood area of the City. The building contains the Offices of the 4th Council District, 13th Council District, LAPD and other City entities. The general upkeep of the building benefits the community by keeping the location accessible and inviting. The building is in need of a new paint job which will improve the building's aesthetics as well as provide a protective layer over the building, reducing long term wear from weather on the building itself, therefore saving money over time.

This painting project is expected to begin in December 2017, and will be completed in February 2018. GSD will submit all deliverables and complete invoices accompanied by detailed supporting documents to CD 4 with a copy to EWDD. Requests for payments will not be processed by EWDD without CD 4's review and approval.

The GSD will report its work accomplishment and funds expended to CAO on a quarterly basis. EWDD will attach CAO's project status report to its regular reports to the BOC and Mayor/CRA.

The CAO has completed its review of the original bond documents, and has found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. It is recommended that up to \$28,585 in tax-exempt 2008 Series F bond proceeds from the Hollywood Project Area be appropriated for the purposes as revised from the original Motion.



JAN PERRY

General Manager

JP:SH:DH:MMS:AAC

ATTACHMENT 1: Motion (Ryu-Price) C. F. 14-1174-S27

MOTION

The City of Los Angeles is one of only three cities in the nation to be awarded a federal Promise Zone designation. The Los Angeles Promise Zone covers the central Los Angeles neighborhoods of Hollywood, East Hollywood, Koreatown, Pico-Union, and Westlake. The goals of the Promise Zone are to foster good jobs and healthy businesses, make our neighborhoods safe, improve educational opportunities, and promote more sustainable and livable communities.

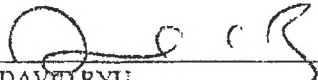
In 2002, seven Neighborhood City Halls were designated across the City of Los Angeles to serve as public access points where essential City services are provided. Among the seven Neighborhood City Halls is the Council District Four (CD4) field office located at 6501 Fountain Avenue which serves both the Hollywood and Wilshire communities and resides within the Hollywood portions of the Promise Zone. The Department of Recreation and Parks (RAP) is responsible for the landscape needs of the CD4 field office and the grounds are currently in need of some deferred maintenance, ongoing regular maintenance, and periodic tree trimming.

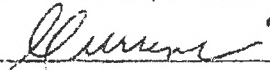
On February 2, 2017, RAP accepted a bid proposal from American Landscape dated January 31, 2017, in an amount not to exceed \$76,700 for the Hollywood Municipal Building (City Hall Annex) – Annual Landscape Maintenance – Landscape Construction, Retrofit, Maintenance and/or Repairs (RAPX2007) project. The scope of work included in Contract 3448 includes: 1) initial deferred maintenance; 2) weekly maintenance for one (1) year; and 3) annual tree trimming. Funding is needed to cover the cost of said Contract.

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 tax-exempt CRA/LA Excess Bond Proceeds towards the implementation of public improvements surrounding the Hollywood Municipal Building located in the Hollywood Redevelopment Project Area and within the Hollywood Promise Zone is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that tax-exempt CRA/LA Excess Bond Proceeds available to Council District Four in an amount not to exceed \$76,700 from the Hollywood Redevelopment Project Area be utilized by the Department of Recreation and Parks to implement public improvements related to Contract 3448 with American Landscape for the Hollywood Municipal Building located at 6501 Fountain Avenue in Hollywood and within the boundaries of the Hollywood Redevelopment Project Area.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Department of Recreation and Parks, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate tax-exempt CRA/LA Excess Bond Proceeds in an amount not to exceed \$76,700 to implement public improvements related to Contract 3448 with American Landscape for the Hollywood Municipal Building located at 6501 Fountain Avenue in Hollywood as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Hollywood Redevelopment Project Area.

PRESENTED BY 
DAVID RYU
Councilmember, 4TH District

SECONDED BY 

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