


WA# 0111-31341-0081

TRANSMITTAL

To: Council	DATE 03-01-19	COUNCIL FILE NO. 14-1174-S48
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 3

At its meeting of February 28, 2019, the CRA/LA Bond Oversight Committee approved recommendations in the attached Economic and Workforce Development Department (EWDD) report and instructed staff to transmit to Council for consideration. Council approval of the report recommendations would authorize the appropriation of up to \$4,650,000 in CRA/LA Excess Non-Housing Taxable Bond Proceeds from the Reseda/Canoga Park Redevelopment Project Area (Taxable and Tax-Exempt Series) for the Reseda River Loop Greenway Project.

Fiscal Impact Statement: There is no impact on the City's General Fund from the proposed appropriation. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from two transfers totaling approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City. (C.F. 14-1174) Said transfers have been deposited with the Office of the Controller.


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

RHL:JVW/nsh15190081

Attachment

CITY OF LOS ANGELES

CALIFORNIA

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

February 15, 2019

Council File: 14-1174-S48
Council District No.: 3
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CRA/LA Bond Oversight Committee
c/o Jacqueline Wagner
Office of the City Administrative Officer
Room 1500, City Hall East

BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST REVIEW AND RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$4,650,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE RESEDA/CANOGA PARK REDEVELOPMENT PROJECT AREA (TAXABLE AND TAX-EXEMPT SERIES) FOR THE RESEDA RIVER LOOP GREENWAY PROJECT

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

RECOMMENDATIONS

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

1. APPROVE, subject to the requirements below, up to \$1,590,800 in taxable, and \$3,059,200 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a combined total of \$4,650,000 available to Council District 3 (CD 3) from the Reseda/Canoga Park Redevelopment Project Area (Project Area) for the Reseda River Loop Greenway Project (Project);
2. AUTHORIZE, subject to the requirements below, the Department of Public Works, Bureau of Sanitation (LASAN) to be the implementing department for activities related to the Project;
3. AUTHORIZE, subject to the requirements below, the Director of LASAN, or designee, to negotiate and execute agreements as required to implement the Project subject to Board of Public Works approval to perform the scope of work related to the Project;

4. AUTHORIZE, subject to the requirements below, the Controller, subject also to the availability of funds and a duly executed and encumbered agreement between the LASAN and Project contractor(s), to expend up to \$1,590,800 from the EBP Fund No. 57D, Account 22L9PT, Reseda/Canoga Park Taxable series 2010-D, and up to \$3,059,200 from Account No. 22L9PN Reseda/Canoga Tax-Exempt Series 2010-E, for activities related to the Project upon presentation of proper documentation by LASAN and satisfactory review by EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
5. AUTHORIZE LASAN to prepare limited preliminary plans and analysis to the extent necessary for the environmental review of the Project from the above-noted funds allocated to the Project;
6. DIRECT LASAN to withhold expending or committing to expend any of the remainder of the above-noted funds allocated to the Project until all of the following have occurred:
 - a. LASAN has completed the preliminary planning documents and environmental review documents;
 - b. The City has complied with the requirements of the California Environmental Quality Act (CEQA) with respect to the Project, including obtaining any necessary CEQA clearances; and
 - c. The Board of Public Works has considered and approved the Project for expenditure of the remaining funds;
7. DIRECT LASAN to transmit copies of all agreement awards related to the Project to EWDD;
8. DIRECT LASAN to report on its work accomplishments to the Office of the City Administrative Officer (CAO), and fund expenditures to EWDD, on a quarterly and as-needed basis; and
9. AUTHORIZE the Interim 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.

SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 3 Motion (Blumenfield-O'Farrell) which was adopted by Council on October 26, 2018 (CF 14-1174-S48). This Motion seeks to allocate up to \$4,050,000 in taxable and tax-exempt EBP for LASAN to enter into related contractual services to implement the Project. CD 3 subsequently requested that the total amount be increased to \$4,650,000 to cover 100% of project costs. The \$600,000 increase is to account for slight realignment, escalation, inspection and design updates within the Project.

This transmittal recommends that up to \$4,650,000 in EBP available to CD 3 from the Project Area be allocated to LASAN who will enter into related contractual agreements subject to future City approval(s) to design, implement and maintain Phase II public improvements of the Project. The anticipated total Project cost is \$4,650,000. Public Infrastructure is an approved funding category; while design, development and improvements along the Los Angeles River in Reseda are identified as a potential project in the Bond Spending Plan (BSP) for this Project Area. The proposed use of funds is permissible under the BSP adopted by City Council on October 29, 2014 (CF 14-1174), and sufficient funds for this purpose are available from CD 3's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in Project Area available to CD 3 was \$20,984,713. However, after the administrative appropriation of 16%, or \$1,977,634, from taxable EBP, there remained a combined \$19,007,079 EBP in the Project Area available to CD 3. CD 3 also traded their AB 1290 funds for CD 12's EBP funds. This trade provided an additional \$2,098,471 (\$1,236,021 taxable, and \$862,450 tax-exempt) to CD 3; and increased its taxable administrative appropriation by \$197,763. CD 3's available EBP in the Project Area became \$20,907,787. This Motion's proposed \$4,650,000 in taxable and tax-exempt EBP, along with their eleven (11) pending and BOC/Council approved motions, will leave CD 3 with \$1,150,417 in taxable, and \$139,200 in tax-exempt, EBP in the Project Area for a combined available balance of \$1,289,617.

EWDD ANALYSIS

The Reseda River Loop Greenway Project, also known as the Los Angeles River and Aliso Creek Confluence Phase 2 Project, entails the conversion and creation of publicly-accessible greenway paths and two green stormwater street ends along the Los Angeles River in Reseda from Wilbur Avenue to Kittridge Street.

The anticipated scope of work to be performed includes:

1. Demolition of existing asphalt, concrete, fence, gates, guard rails and tree stumps.
2. Construction of greenway paths with native plantings and trees alongside decomposed granite pathways.
3. New gates and fencing.
4. A pedestrian bridge over the Aliso Creek connecting the proposed greenways with the existing Los Angeles River Aliso Creek Confluence Park.
5. Creation of green stormwater capture and watershed enhancements at the intersection of Amigo and Yolanda Avenues and the Los Angeles River.
6. Interpretive signage as educational features for the general public.

The total cost estimate for the project is \$4,650,000 which will be 100% funded by CD 3's EBP in the Project Area. Breakdown of the estimated project cost, and taxable vs. tax-exempt EBP utilization are as follows:

Construction	\$3,365,000
Construction Contingency	\$ 370,100
Cost Escalation	\$ 201,900
Soft Costs	<u>\$ 713,000</u>
Total Project Cost Estimate	\$4,650,000

1. Taxable EBP \$1,590,800

Project Management	\$ 175,000
Design Consultants	\$ 226,000
Permits	\$ 62,000
Site Demolition	\$ 180,000
Landscape	\$ 125,800
Construction Management	\$ 150,000
Construction Inspection	\$ 100,000
Construction Contingency	\$ 370,100
Cost Escalation	<u>\$ 201,900</u>
Total Taxable Cost Estimate	\$1,590,800

2. Tax-Exempt EBP \$3,059,200

Earthwork	\$ 285,000
Hardscape	\$ 365,600
Site Amenities	\$ 297,600
Bridge	\$2,000,000
Greenway Path (Wilbur to Confluence Park)	<u>\$ 111,000</u>
Total Tax-Exempt Cost Estimate	\$3,059,200

Construction of the Project is expected to begin in the winter of 2021, and will be completed in the fall of 2023.

EWDD has met and consulted with CD 3, LASAN and City Attorneys regarding Project and scope of work. LASAN will be the implementing department and project manager who will oversee the Project. Upon approval by the Board of Public Works, LASAN will enter into contracts as required to implement the Project no later than September 30, 2019, and will expend 100% of the EBP appropriation no later than September 30, 2024. The Project contractor will be required to comply with the State's Prevailing Wage requirements.

The Project will build on the past and current efforts of the City, LASAN, and the Trust for Public Land (TPL) on urban greening projects including the recently completed Los Angeles River and Aliso Creek Confluence Phase 1 project. This Phase II work builds upon work already completed by TPL under Phase I.

Deliverables and/or activity reports showing percentages of completion must accompany LASAN's original signed off invoices which shall be submitted to EWDD. Disbursements will be authorized pursuant to receipt and satisfactory review by EWDD to ensure compliance with bond covenants and the approved spending categories and amounts outlined in this transmittal.

LASAN will report on its work accomplishments to the Office of City Administrative Officer (CAO), and fund expenditures to the EWDD, on a quarterly and as-needed basis for their respective reports to the BOC, Mayor and CRA/LA.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits in the Reseda/Canoga Park Project Area which will benefit the affected taxing entities by improving the public right-of-way to promote economic development, safe passages for parents and children to and from school, improve safety, and enhance the appearance of streets along the commercial corridor.

The greenway will allow approximately 10,000 residents within a half-mile to stroll, hike or bike for recreation and to access parks, schools and businesses. The Project will connect users directly to the 2-acre Los Angeles River and Aliso Creek Confluence Nature Park via a pedestrian bridge over the Aliso Creek. By planting 14,000 square feet of native plantings and 23 trees, the Project will improve the riparian habitat along the River, thus providing benefits to wildlife. The stormwater capture will reduce groundwater pollution and improve water quality. Interpretive signage will provide information about the region's unique ecological characteristics, and inspire visitors to be stewards of their environment.

ENVIRONMENTAL REVIEW

On October 26, 2018, the Los Angeles City Council approved a September 5, 2018 motion by CD 3 to investigate the potential use of EBP for the Project and related actions that are the subject of this report. The City is the lead agency for the Project for purposes of the California Environmental Quality Act (CEQA). The recommendations in this report will allow the City to prepare limited preliminary plans for the project and to evaluate the environmental impacts of the Project before it is ultimately considered for approval by the Board of Public Works. Aside from the preliminary planning document, no funds will be committed to the completion of the Project until the Board of Public Works considers whether to approve the Project and considers the environmental impacts of the Project.

The recommended actions are not a project pursuant to CEQA. Consistent with State CEQA Guidelines Section 15378(b)(4), approving the allocation of funds for the Project and concurrently withholding any expenditure of those funds pending the completion, review, and consideration of planning and environmental documents related to the Project, and also pending the consideration of whether or not to approve the Project, is not itself a project. Such preliminary actions are intended to only create a funding mechanism or other government fiscal activity that does not commit to a project that may result in a potentially significant impact on the environment. Instead, the funds will be made available to the Project, similar to other regular government budgeting activities. But, just as such occurs with other City budgeting procedures, no construction of the Project will occur until the City has complied with CEQA (including the preparation and consideration of an environmental review document, if needed), and until the Board of Public Works has ultimately reviewed and determined whether or not to approve moving forward with, and expending the funds on, the Project.

Accordingly, after expending only funds necessary for preliminary planning and environmental document preparation, LASAN's expenditure of the remainder of the funds will not occur until all of the following have occurred: (1) LASAN has completed the preliminary planning and environmental review documents; (2) the City has complied with the requirements of CEQA with respect to the Project, including obtaining any necessary CEQA clearances prior to final consideration and approval of the Project by the Board of Public Works; (3) and the Board of Public Works has considered and approved the Project. This process is intended to ensure compliance with CEQA by evaluating and considering the environmental impacts before deciding whether to proceed with the Project. If the Board of Public Works ultimately determines to not proceed with the Project, the remaining funds will not be used on the Project.

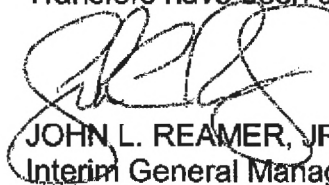
Also, consistent with State CEQA Guidelines Section 15378(b)(5), preparing preliminary planning and environmental documents with or without using some of the funds is not a project pursuant to CEQA, because it is only an administrative activity that will not result in physical changes in the environment. Preparing such preliminary documents will not commit the City to completing the Project. Such documents merely facilitate assisting the Board of Public Works in its evaluation of whether the Project will potentially impact the environment when it considers whether to approve construction of the Project.

CAO BOND COVENANT REVIEW

The CAO has completed its review of the original bond documents and covenants, and has found that the proposed use of taxable and tax-exempt EBP, as presented, is consistent with those covenants.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of EBP. The EBP Fund No. 57D is funded solely from transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174 and 14-1174-S36). Said Transfers have been deposited with the Office of the Controller.



JOHN L. REAMER, JR.
Interim General Manager

JLR:SH:DH:MMS

ATTACHMENT: 1. Motion (Blumenfield-O'Farrell) C. F. 14-1174-S48

MOTION ECONOMIC DEVELOPMENT

The Los Angeles River and Aliso Creek Confluence Park, also known as the Reseda River Loop, is a multi-phased public improvements project, adjacent to the Los Angeles River confluence and Aliso Creek in the community of Reseda. Phase I of the project, located at the confluence of the L.A. River and Aliso Creek, is now complete and provides 1.8 acres of vital community green space. It also provides 1.33 acres of publicly accessible pathway for recreation and non-motorized transportation along the north and west banks of the L.A. River and Aliso Creek. Phase II of the larger Reseda River Loop project will create new multi-modal public access to the L.A. River and Aliso Creek Confluence Park, add safety and ADA improvements, and incorporate best management practices from the L.A. River Revitalization Master Plan to increase surface water quality and non-potable reuse of stormwater.

The project concept was first developed in my role as former State Assemblymember in collaboration with the Trust for Public Land, community partners, stakeholders, various City Departments, the Reseda Neighborhood Council, and local residents. The Reseda River Loop is a key component of the Los Angeles River Revitalization Master Plan and converts the area from a neglected and gated concrete barrier between Reseda Boulevard and Vanalden Avenue into a vital thread that knits the community together and provides much-needed green infrastructure, open space, and safe passages for parents and children to and from school. Investment in the project may also help leverage other sources of non-City funding.

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 and taxable CRA/LA Excess Bond Proceeds toward the Reseda River Loop is identified as an eligible expenditure in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that tax-exempt and taxable CRA/LA Excess Bond Proceeds available to Council District 3 in an amount not to exceed \$4,050,000 from the Reseda/Canoga Park Redevelopment Project Area be utilized by the Bureau of Engineering, Bureau of Street Services, Bureau of Sanitation, and Department of Recreation and Parks to design, implement, and maintain public improvements as part of the second phase of the Reseda River Loop/Aliso Creek project within the boundaries of the Reseda/Canoga Park Redevelopments Project Area.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Bureau of Engineering, Bureau of Street Services, Bureau of Sanitation, Department of Recreation and Parks, and any other applicable department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate tax-exempt and taxable CRA/LA Excess Bond Proceeds in an amount not to exceed \$4,050,000 to implement the second phase of the Reseda River Loop/Aliso Creek project described above and enter into related contractual services with the Trust For Public Land as identified in the Bond Expenditure Agreement and Bond Spending plan for the Reseda/Canoga Park Redevelopment Project Area.

PRESENTED BY

Bob Blumenfeld
BOB BLUMENFIELD
Councilmember, 3rd District

SEP 05 2018

SECONDED BY

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ORIGINAL