

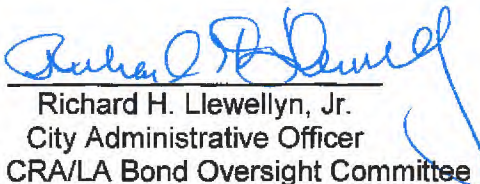
WA# 0111-31341-0098

TRANSMITTAL

To: Council	DATE 06-04-19	COUNCIL FILE NO. 14-1174-S60
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 6

At its meeting of May 30, 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 \$3,432,300 in CRA/LA Excess Non-Housing Taxable Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area (Taxable Series 2003-A and Tax-Exempt Series 2009-D) for the Allegheny Park Property Acquisition 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:YC/JVW:nsh15190123

Attachment – May 24, 2019 EWDD Report – Allegheny Park Property Acquisition Project

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

May 24, 2019

Council File: 14-1174-S60
Council District No.: 6
Contact Person & Extension:
Daisy Hernandez: (213) 744-9340

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 \$3,432,300 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-A AND TAX-EXEMPT SERIES 2009-D) FOR THE ALLEGHENY PARK PROPERTY ACQUISITION 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. FIND that the Allegheny Park Property Acquisition Project (Project) consisting of acquiring open space for future park use and fence installation is categorically exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Article 19, Section 15311 and 15325(f). The Project is also exempt pursuant to the City of Los Angeles CEQA Guide Article III, Section 1, Class 11, Category 3, and Class 25;
2. APPROVE up to \$7,300 in taxable, and \$3,425,000 in tax-exempt, CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a combined total of \$3,432,300 available to Council District (CD) 6 from the Pacoima/Panorama City Redevelopment Project Area (Project Area) for the Allegheny Park Property Acquisition Project (Project);

3. AUTHORIZE the General Services Department (GSD) to act on behalf of the Department of Recreation and Parks (RAP) to acquire real properties located at 11957, 11961 and 11963 Allegheny Street, Sun Valley, CA 91352 (Property);
4. AUTHORIZE RAP to be the implementing department for activities related to the Project;
5. AUTHORIZE GSD to execute a Purchase and Sale Agreement (PSA) and related transactional documents as needed with the owner of the Property (Seller) for a purchase price of up to \$3,380,000 including all related closing costs;
6. DIRECT GSD to transmit copies of all duly executed agreement(s) related to the Project to EWDD;
7. AUTHORIZE the Controller, subject to the availability of funds and a duly executed PSA between the City and Seller, to expend up to \$7,300 from the EBP Fund No. 57D, Account 22L9MT Pacoima/Panorama City Taxable Series 2003-A, and up to \$3,425,000 from the EBP Fund No. 57D, Account 22L9MN Pacoima/Panorama City Tax-Exempt Series 2009-D, for activities related to the Project upon presentation of proper documentation by GSD and RAP, and satisfactory review by EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
8. DIRECT RAP to file a CEQA Notice of Exemption (NOE) with the City Clerk and Los Angeles County Clerk upon Council approval;
9. DIRECT RAP 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
10. 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 6 motion (Martinez-Krekorian) which was adopted by Council on December 12, 2018 (C.F. 14-1174-S60). The Motion sought to authorize up to \$4,500,000 in taxable and tax-exempt EBP to be used by RAP for the acquisition and development of real property to accommodate a new park in the community.

This transmittal recommends that up to \$3,432,300 in taxable and tax-exempt EBP from the Project Area within CD 6 be appropriated to GSD, on behalf of RAP, to acquire real properties located at 11957, 11961 and 11963 Allegheny Street, Sun Valley, CA 91352. GSD has been instructed to negotiate a PSA on RAP's behalf (C.F. 19-0100), and will facilitate the purchase. Park and Open Space, including acquiring or improving land for

public open space, parklets and public plazas, was identified as a potential project for the Project Area in the Bond Spending Plan (BSP) that was adopted by City Council (C.F. 14-1174). Sufficient funds for this purpose are available from CD 6's portion of EBP in the Project Area.

The original taxable and tax-exempt EBP in the Project Area available to CD 6 was \$6,233,034. After deducting the 16% (\$130,500) taxable administrative EBP, the net remaining EBP was \$6,102,534. This transmittal's proposed \$7,300 in taxable, and \$3,425,000 in tax-exempt EBP, along with one (1) pending motion, will leave \$27,520 in taxable, and \$642,713 in tax-exempt EBP for an aggregate remaining balance of \$670,233 for CD 6 in the Project Area.

EWDD ANALYSIS

EWDD has met with CD 6, GSD and RAP regarding Project. GSD completed an appraisal of the Property which carried a fair market value (FMV) of \$3,060,000 as of February 12, 2019. The purchase price for the Property is \$3,360,000 plus approximately \$20,000 in closing costs, and \$52,300 in miscellaneous related costs e.g. appraisal, title report, Phase I planning and environmental, security fencing etc. The estimated total Project cost is \$3,432,300. The purchase price was negotiated by GSD who has represented that it is customary and acceptable to negotiate and agree to a purchase price that exceeds the FMV. A PSA between the City and Seller will be executed upon BOC and Council approvals. Funding for the PSA must be encumbered no later than September 30, 2019 with EBP appropriation fully expended no later than September 30, 2024. Property is vacant, therefore there will be no relocation of residents from site.

Breakdown of the estimated \$3,432,300 taxable and tax-exempt EBP utilization is as follows:

Taxable EBP Cost Estimate

Phase I (Planning and Environmental)	\$ 2,350
Appraisal	\$ 4,000
Title Report	\$ 950
Total Taxable EBP Cost Estimate	\$ 7,300

Tax-Exempt EBP Cost Estimate

Purchase Price	\$3,360,000
Closing Cost	\$ 20,000
Fencing	\$ 45,000
Total Tax-Exempt EBP Cost Estimate	\$3,425,000

Post-acquisition, RAP will develop Property into a new park. Anticipated future development elements include: newly planted trees, shade structures, recreational amenities and an irrigation system. Final design of the new park will be based on the input of RAP design staff and the local community.

RAP will report on its acquisition status to the CAO, and fund expenditures to EWDD, on a quarterly and as-needed basis for their respective reports to the BOC, Mayor and CRA/LA.

COMMUNITY BENEFITS

The expenditures set forth in this report will provide community benefits in the Project Area which will benefit the affected taxing entities by acquiring properties to develop an environmentally friendly open space opportunity for the community. CD 6 recognizes the lack of available park and open spaces in East San Fernando Valley. The area is home to a high school and multi-family dwelling units which provides an audience who will immediately benefit from the changes that Project will generate. The Project will provide community benefits by transforming a blighted property into a community resource that will bring a neighborhood together. In an area with incompatible land use that lacks recreational opportunities, even with a \$300,000 acquisition cost that exceeds the FMV, the EBP will help initiate the first steps towards creating a community driven environment that will benefit the immediate surrounding neighborhood for years to come.

ENVIRONMENTAL REVIEW

The Project consists of acquisition of open space for future park use and fence installation within the Project Area using taxable and tax-exempt EBP. The Project is categorically exempt pursuant to State CEQA Guidelines Article 19, Sections 15311 and 15325(f). The Project is also exempt pursuant to City of Los Angeles CEQA Guide Article III, Section 1, Class 11, Category 3, and Class 25. A NOE (Attachment 2) will be filed by RAP with the City Clerk as well as the Los Angeles County Clerk upon Project approval by the Los Angeles City Council.

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 excess bond proceeds, 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 CRA/LA EBP. The CRA/LA 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:JL

ATTACHMENTS: 1. Motion (Martinez-Krekorian) C. F. 11-1174-S60
2. CEQA Notice of Exemption (To be filed by RAP)

MOTION ECONOMIC DEVELOPMENT

Residents of the East San Fernando Valley have long suffered from a lack of parks and open space. As opportunities become available for the City to acquire land and develop parks, every effort should be made to make these long term investments that serve the health, recreational needs of children and residents, and provide for a stronger quality of life in communities across the City, particular in underserved portions of the San Fernando Valley.

Funds are available to Council District 6 through taxable and tax-exempt CRA/LA Excess Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area that can assist in the acquisition and development of real property to accommodate a new park. 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 committees with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable and tax-exempt CRA/LA Excess Bond Proceeds for the acquisition and development of real property to accommodate a new park in the Pacoima/Panorama City Redevelopment Project Area is an eligible expense identified in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that the Council authorize the expenditure of up to \$4,500,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6 from the Pacoima/Panorama City Redevelopment Project Area to be utilized by the Department of Recreation and Parks for the acquisition and development of real property to accommodate a new park for the community.

I FURTHER MOVE that the Council instruct the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Department of Recreation and Parks, General Services Department, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate up to \$4,500,000 in taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6 for a new park development project as part of the Parks and Open Space project identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pacoima/Panorama City Redevelopment Project Area.

PRESENTED BY:

Nury Martinez
 NURY MARTINEZ
 Councilwoman, 6th District

SECONDED BY:

Paul Kobernia

2023 05 10 10:00

ORIGINAL

COUNTY CLERK'S USE	CITY OF LOS ANGELES OFFICE OF THE CITY CLERK ROOM 395, CITY HALL LOS ANGELES, CALIFORNIA 90012 CALIFORNIA ENVIRONMENTAL QUALITY ACT	CITY CLERK'S USE
<h2 style="margin: 0;">NOTICE OF EXEMPTION</h2> <p style="margin: 0;">(Article II, Section 3, City CEQA Guidelines)</p>		
FORM RP 1-1-91		
Submission of this form is optional. This form shall be filed with the County Clerk, 12400 East Imperial Highway, Norwalk, California 90650, pursuant to Public Resources Code Section 21152(b). Pursuant to Public Resources Code Section 21168(d), the filing of this notice starts a 35-day statute of limitation on Court challenges to the approval of the project. Failure to file this notice with the County Clerk results in the statute of limitation being extended to 180 days.		
LEAD CITY AGENCY AND ADDRESS: City of Los Angeles Department of Recreation and Parks, 221 N. Figueroa Street, Suite 400, Los Angeles, CA 90012		COUNCIL DISTRICT: CD 6
PROJECT TITLE: ALLEGHENY PARK – FINAL AUTHORIZATION TO PROCEED WITH THE ACQUISITION	LOG REFERENCE:	
PROJECT LOCATION: 11957-11961 Allegheny Street, Los Angeles CA 91352-1834		
DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: The proposed project will consist of acquisition of two parcels totaling approximately .61 and .44 acres in size or 26,571.6 square feet (sq ft) and 19,166.4 sq ft for future park purposes and the installation of a fence.		
CONTACT PERSON: PAUL DAVIS	AREA CODE: 213	TELEPHONE NUMBER: 202-2667
EXT.		
EXEMPT STATUS: (Check One)		
<input type="checkbox"/> DECLARED EMERGENCY <input type="checkbox"/> EMERGENCY PROJECT <input type="checkbox"/> MINISTERIAL PROJECT <input checked="" type="checkbox"/> CATEGORICAL EXEMPTION <input type="checkbox"/> GENERAL EXEMPTION <input type="checkbox"/> STATUTORY EXEMPTION	CITY CEQA GUIDELINES Art. II, Sec. 2a(1) Art. II, Sec. 2(a)(2)(3) Art. II, Sec. 2b Art. II, Sec. 2(c) See Below Art. II, Sec. 2(d) Art. II, Sec. 2(l)	STATE CEQA GUIDELINES ART. 18, Sec. 15269(a) ART. 18, Sec. 15269(b)(c) ART. 18, Sec. 15280 ART. 18, Sec. 15300 -15333 ART. 18, Sec. 15282 ART. 18, Sec. 15282
Class 11 25	Category 3	(City CEQA Guidelines) Art. III, Sec(s). 1(k)(3) Art. II, Sec(s). 1(f) Art. II, Sec(s). Art. III, Sec(s).
(State CEQA Guidelines) Art. 18, Sec(s). 15311 Art. 18, Sec(s). 15325 Art. 18, Sec(s). Art. 18, Sec(s).		
<input type="checkbox"/> OTHER (See Public Resources Code Sect. 21090(b) and set forth in state & city guidelines provisions)		
JUSTIFICATION FOR PROJECT EXEMPTION: The proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 11(3) and Class 25 of City CEQA Guidelines as well as to Article 19, Section 15311 and 15325 of California CEQA Guidelines. None of the limitations set forth in State CEQA Guidelines 15300.2 apply, see attached narrative.		
IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING		
SIGNATURE: PAUL DAVIS Environmental Supervisor II		DATE: 5/15/2019
FEE \$75.00	RECEIPT NO.	REC'D. BY:
		DATE:

WHITSETT SPORTS FIELDS LIGHTING AND SYNTHETIC SOCCER FIELDS PHASE II PROJECT

**WHITSETT SPORTS FIELDS LIGHTING AND SYNTHETIC SOCCER
FIELDS PHASE II PROJECT
CATEGORICAL EXEMPTION NARRATIVE**

I. PROJECT DESCRIPTION

The proposed project consists of the acquisition of property in order to preserve open space and of the installation of fencing.

The property consists of two parcels with the following (Los Angeles County Assessor's Parcel Numbers (APN) 2631-001-017 and 2631-001-018), which are currently owned by Allegheny Ventures, LLC, A California Limited Liability Company. The property consists of 3 vacant buildings however those buildings have since been closed. The properties are currently vacant.

The design and development of the park will be subject to community outreach and input and be based on the needs of the community it will serve. At this time, a development and or construction plan has not yet been finalized; construction and environmental costs have not yet been determined or evaluated. Demolition and related construction cost will entail further environmental studies.

The proposed project is located at 11957-11961 Allegheny Street, Los Angeles CA 91352-1834 (Property), in the Sun Valley area of the City, in the Sun Valley-La Tuna Canyon Community Plan area.

The acquisition of the two parcels located at 11957-1161 Allegheny Street, would increase the number of City residents that would be served by a park within walking distance of their residence. An estimated 3,753 City residents who live within a one-half (½) mile walking distance of 11957-1161 Allegheny Street, are not currently served by a park.

II. PROJECT HISTORY

On February 8, 2019 City Council adopted City Council Motion requesting RAP, GSD, and the City Attorney to consider the acquisition of two parcel identified by (Los Angeles County Assessor's Parcel Numbers (APN) 2631-001-017 and 2631-001-018). Said parcels were identified by CD 6 for possible acquisition.

On March 20, 2019, the Board of Recreation and Park Commissioners (Board) through Board Report No 19-059, authorized RAP to initiate the process for the possible acquisition of the property and to complete preliminary acquisition activities, and directed staff to return to the Board with escrow instructions and related documents for the Board's final approval to acquire the property.

The Department of General Services (GSD) reviewed the appraisal reports for this Project to determine if the purchase price for the Property is consistent with their professional opinion of market value, including escrow fees and title insurance fees.

GSD has reviewed all appraisal reports and concurs with the findings of the appraisals from Gribin, Kapadia & Associates and appraisal review by Integra Realty Resources value for the subject parcels being acquired from Allegheny Ventures, LLC. GSD's

WHITSETT SPORTS FIELDS LIGHTING AND SYNTHETIC SOCCER FIELDS PHASE II PROJECT

consultant appraiser and reviewer have determined that the fair market value of the property as of February 12, 2019, is \$3,060,000. However, based on negotiations with the seller and based on the expert advice from GSD, the final purchase price agreed upon is Three Million, Three Hundred Sixty Thousand Dollars (\$3,360,000.00)

III. ENVIRONMENTAL REVIEW

Basis for Categorical Exemption

The proposed project consists of the acquisition of ownership of interests in land installation of a fence, exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 25 of City CEQA Guidelines as well as to Article 19, Section 15325 of California CEQA Guidelines. It also includes installation of a fence, exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 11(3) of City CEQA Guidelines as well as to Article 19, Section 15311 of California CEQA Guidelines.

Consideration of Potential Exceptions to Use of a Categorical Exemption

The State CEQA Guidelines (CCR Sec 15300.2) limit the use of categorical exemptions in the following circumstances:

1. **Location.** Exemption Classes 3, 4, 5, 8, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may be significant in a particularly sensitive environment. Therefore, these classes are considered to apply to all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

The proposed projects falls under Class 11 and 25 and could potentially constitute an exception to CEQA exemptions; however the project does not impact on a recognized environmental resource of hazardous or critical concern. Environmental due diligence in the form of a Phase 1 Environmental Site Assessment (ESA) has been performed for the property in accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessments (Standard Designation E 1527-05) approved in November 2005 and the United States Environmental Protection Agency (US EPA) 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries (AAI) - Final Rule adopted November 1, 2006. No evidence of Recognized Environmental Conditions (RECs) was found on the property, and no further site investigation would be required. The Phase I ESA Report dated April 2019 is on file in RAP's Real Estate Division. Therefore, this exception has no application here.

2. **Cumulative Impact.** This exception applies when, although a particular project may not have a significant impact, the cumulative impact of successive projects of the same type in the same place, over time is significant.

The proposed project consists of the acquisition of land for park purposes and the installation of fencing. A development and or construction plan has not yet been finalized. At this time construction and environmental costs have not yet been determined or evaluated. If the Project changes or the circumstances that define the project change at any time, a re-evaluation of CEQA will be required. As such, this exception has no application here.

WHITSETT SPORTS FIELDS LIGHTING AND SYNTHETIC SOCCER FIELDS PHASE II PROJECT

3. Significant Effect. This exception applies when, although the project may otherwise be exempt, there is a reasonable possibility that the project will have a significant effect due to unusual circumstances.

RAP is not aware of any unusual circumstances associated with this project. Therefore, this exception has no application here.

4. Scenic Highway. A categorical exemption shall not be used for a project that may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.

The proposed project is not within sight of any state designated scenic highway, nor of any other historic and scenic resource. Therefore, this exception has no application here.

5. Hazardous Waste Site. This exception applies when a project is located on a site listed as a hazardous waste site under Government Code Section 65962.5.

As of 5/15/2019, the State Department of Toxic Substances Control has not listed any site within the project area (Envirostor at www.envirostor.dtsc.ca.gov). Therefore, this exception has no application here.

6. Historical Resources. This exception applies when a project may cause a substantial adverse change in the significance of a historical resource.

The proposed project area is not located in proximity of known historical, paleontological or archeological resources. The excavation required for the installation of fencing will occur in already disturbed areas, and this office does not anticipate the disruption of archaeological resources.

However, in case historical artifacts are encountered, City Engineer Standard Specifications, Section 6-3.2, (Greenbook, 2012) states: "If discovery is made of items of archaeological or paleontological interest, the Contractor shall immediately cease excavation in the area of discovery and shall not continue until ordered by the Engineer." Therefore, during activities in which there will be ground disturbances (i.e., digging, drilling, etc.) if any evidence of archaeological, cultural, or paleontological resources are found, all work within the vicinity of the find shall stop until a qualified archaeologist can assess the finds and make recommendations. No excavation of any finds should be attempted by Project personnel unless directed by a qualified archaeologist. Construction activities may continue in other areas. If the discovery proves significant under CEQA (Section 15064.5f; Public Resources Code or PRC 21082), additional work such as testing or data recovery may be warranted.

The discovery of human remains is always a possibility during ground disturbances; State of California Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the Los Angeles County Coroner has made a determination of origin and disposition pursuant to PRC Section 5097.98. The Los Angeles County Coroner must be notified of the find immediately. If the human remains are determined to be prehistoric, the Coroner will notify the Native American Heritage Commission, which will determine and notify a Most Likely Descendent (MLD). The MLD shall complete the inspection of the site within 48 hours of notification and may recommend scientific removal and nondestructive analysis of human remains and items associated with Native American burials.

Therefore, this exception has no application here.

WHITSETT SPORTS FIELDS LIGHTING AND SYNTHETIC SOCCER FIELDS PHASE II PROJECT

Figure 1. Project Location

