

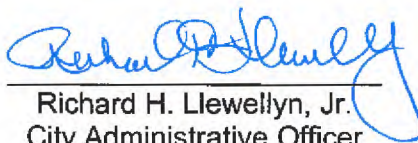
0111-31341-0138

**TRANSMITTAL**

TO Council	DATE 10-01-19	COUNCIL FILE NO. 14-1174-S60
FROM CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 6

At its regular meeting on September 26, 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 \$570,234 plus all earned interest in CRA/LA Excess Non-Housing Bond Proceeds from the Pacoima/Panorama City Redevelopment Project Area (Tax-Exempt Series 2006-C and 2009-D) for the Allegheny Park Planning and Design 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 transfers totaling approximately \$88.4 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:nsh15200060

Attachment – September 26, 2019 EWDD Report – Allegheny Park Planning and Design

**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

September 26, 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, ALLOCATE UP TO \$570,234 PLUS ALL EARNED INTEREST IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-A AND TAX-EXEMPT SERIES 2006-C & 2009-D) FOR THE ALLEGHENY PARK PLANNING AND DESIGN 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 (BOC) recommend that the City Council, subject to the approval of the Mayor as required:

1. FIND that the Allegheny Park Planning And Design Project (Project) consisting of planning and designing of the proposed park, public outreach including community based planning meetings or design workshops, cost estimates, preparation of the construction bid package and necessary permits is statutorily exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Article 18, Section 15262 of State CEQA Guidelines. The Project is also exempt pursuant to Article II, Section 2(d) of City of Los Angeles CEQA Guidelines;

2. APPROVE up to \$27,520 in taxable, and \$542,714 in tax-exempt, CRA/LA Excess Non-Housing Bond Proceeds (EBP) for a combined total of \$570,234 plus all earned interest (Interest) available to Council District (CD) 6 from the Pacoima/Panorama City Redevelopment Project Area (Project Area) be utilized for Project;
3. AUTHORIZE the Department of Recreation and Parks (RAP) to be the implementing department for activities related to the Project;
4. DIRECT RAP to transmit copies of all duly executed agreement(s) related to the Project to EWDD;
5. AUTHORIZE the Controller, subject to the availability of funds and duly executed contract(s), to expend up to \$27,520 from the EBP Fund No. 57D, Account Nos. 22L9MT and 22S9MT Pacoima/Panorama City Taxable Series 2003-A, and up to \$542,714 from the EBP Fund No. 57D, Account Nos. 22L9MN and 22S9MN Pacoima/Panorama City Tax-Exempt Series 2006-C and 2009-D, for activities related to Project upon presentation of proper documentation by RAP, and satisfactory review by EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
6. DIRECT RAP to file a CEQA Notice of Exemption (NOE) with the City Clerk and Los Angeles County Clerk upon Council adoption;
7. 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
8. 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-Buscalino) which was adopted by Council on July 2, 2019 (C.F. 14-1174-S60). The Motion sought to allocate all remaining taxable and tax-exempt EBP plus Interest to RAP for planning and designing a new park located at 11957, 11961 and 11963 Allegheny Street, Sun Valley, CA 91352 (Property). Council had previously adopted various actions related to the acquisition of Property (C.F. 14-1174-S60) on June 18, 2019. The proposed planning and design will begin immediately upon acquisition.

This transmittal recommends that up to \$570,234 in taxable and tax-exempt EBP plus Interest from Project Area be allocated to RAP to implement Project. Sufficient funds for this purpose are available from CD 6's portion of EBP and Interest in Project Area. Planning and design undertaken for Project will precede separately funded development of future elements of the Allegheny Park (Park) including, but not limited to, newly planted trees, shade structures, recreational amenities, and an irrigation system. Park

and Open Space, including acquiring or improving land for public open space, parklets and public plazas, was identified as a potential project for Project Area in the Bond Spending Plan (BSP) that was adopted by City Council (C.F. 14-1174).

The original taxable and tax-exempt EBP in 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 allocation, along with four (4) pending and BOC/Council approved motions, will completely exhaust CD 6's EBP and Interest in Project Area.

### **EWDD ANALYSIS**

The BOC team has met with CD 6 and RAP regarding Project. RAP will serve as the implementing department who will perform Project tasks using its in-house staff. The anticipated scope of work entails the planning and design of the proposed Park which consists of public outreach and community based planning meetings or design workshops. RAP will also prepare project plans and specifications, construction documents, cost estimates, construction bid package, and securing the necessary permits before Park construction can begin.

The initial costs estimate for Project is \$1,733,400. Funding for Project is 33% secured at this juncture solely provided for by EBP. RAP submitted in early August 2019 a grant application to the State's Prop 68 Statewide Park Development and Community Revitalization (SPP) Program. The State anticipates that SPP grants will be awarded by year-end 2019. CD 6 and RAP are committed to working together to infill and secure the 67% (\$1,153,166) funding gap by December 31, 2019 should Prop 68/SPP funding not be awarded or arrive as anticipated.

Prop 68 Grant Funds*	\$1,163,166
CRA/LA EBP	<u>\$ 570,234</u>
<b>Total Project Cost Estimate</b>	<b>\$1,733,400</b>

\* Prop 68 grant award expected by year-end 2019

Breakdown of the estimated taxable and tax-exempt EBP utilization is as follows:

#### Taxable EBP Costs Estimate

• Preparation of Construction Documents (Includes the community based planning process)	<u>\$27,520</u>
<b>Total Taxable EBP Cost Estimate</b>	<b>\$27,520</b>

#### Tax-Exempt EBP Costs Estimate

• Preparation of Engineer Cost Estimates	\$ 5,000
• Preparation of Construction Documents (Including NOE filing fee, community based planning process)	\$507,714
• Securing Construction Permits	\$ 20,000
• Preparation of Construction Bid Package	<u>\$ 10,000</u>
<b>Total Tax-Exempt EBP Cost Estimate</b>	<b>\$542,714</b>

RAP will begin work once Prop 68 or alternate funding is in place, and Council has adopted Project. Project will last 13 months to process the scope of work cited above. Contract(s) must be executed and encumbered with EBP allocation fully expended no later than September 30, 2024. Deliverables and/or activity reports showing percentages of completion must accompany RAP's original signed off invoices to be submitted to EWDD. Disbursements will be authorized pursuant to receipt and satisfactory review by EWDD to ensure compliance with bond covenants and BEA, and that the approved spending categories and amounts adhere to those outlined in this transmittal.

RAP will report on its work accomplishments to CAO, and funds expended 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 Project Area which will benefit the affected taxing entities by designing for future development of an environmentally friendly open space 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, 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 City of Los Angeles Housing and Community Investment Department and RAP provided the environmental analysis below:

The Project, consisting of planning and designing of the proposed park, public outreach, including community based planning meetings or design workshops, cost estimates, preparation of the construction bid package, and securing necessary permits to implement Project, is statutorily exempt from provisions of CEQA pursuant to Article 18, Section 15262 of State CEQA Guidelines. The Project is also exempt pursuant to Article II, Section 2(d) of City CEQA Guidelines.


A CEQA NOE (Attachment 2) will be filed by RAP with the City Clerk and Los Angeles County Clerk upon Project adoption by the Los Angeles City Council.

### **CAO BOND COVENANT REVIEW**

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

## FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed allocation of CRA/LA EBP. The CRA/LA EBP Fund No. 57D is funded solely from transfers of approximately \$88.4 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174, 14-1174-S36 and 14-1174-S78). Said Transfers have been deposited with the Office of the Controller.



JOHN L. REAMER, JR.  
Interim General Manager

JLR:SH:DH:MMS:JL:AY

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

MOTION ECONOMIC DEVELOPMENT

On June 18, 2019, Council approved various actions related to the acquisition of real property located at 11957, 11961, and 11963 Allegheny Street, Sun Valley, CA 91352 (Property) (C.F. 14-1174-S60). The purpose of the acquisition is to facilitate the future development of a new park in Council District 6. The General Services Department (GSD), on behalf of the Department of Recreation and Parks (RAP), is the lead in negotiating and executing a Purchase and Sale Agreement with the Seller. GSD will continue to move the transaction forward and work to close escrow by the end of the third quarter 2019.

Upon the City's acquisition of the Property, RAP should immediately begin the planning and design phase of the new park. Anticipated future elements of the park include, but are not limited to: newly planted trees, shade structures, recreational amenities, and an irrigation system. Final design of the new park will be based on input from RAP and the local community.

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 planning and design phase of a new park on the Property. 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 taxable and tax-exempt CRA/LA Excess Bond Proceeds for costs related to acquiring and improving land for park and public open space 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 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 all remaining taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6, including any earned interest, for the planning and design of a new park to be located at 11957, 11961, and 11963 Allegheny Street, Sun Valley, CA 91352 (Property), as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pacoima/Panorama City Redevelopment Project Area.

I FURTHER MOVE that the Council authorize the expenditure of all remaining taxable and tax-exempt CRA/LA Excess Bond Proceeds available to Council District 6, including any earned interest, from the Pacoima/Panorama City Redevelopment Project Area to be utilized by RAP for the design and development of a new park on the Property

PRESENTED BY: Nury Martinez  
NURY MARTINEZ  
Councilwoman, 6<sup>th</sup> District

SECONDED BY: Joe Brun

ORIGINAL

[Signature]  
JUN 18 2019  
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COUNTY CLERK'S USE	CITY OF LOS ANGELES OFFICE OF THE CITY CLERK ROOM 365, 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 3-1-81		
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: 6
PROJECT TITLE: ALLEGHENY Park -- Design of proposed park	LOG REFERENCE:	
PROJECT LOCATION: 11957-11961 Allegheny Street, Los Angeles CA 91352		
DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:  The proposed action implies planning and design of the proposed park, including public outreach and community based planning meetings or design workshops. Additionally the project scope includes the preparation of project plans and specifications, construction documents, and cost estimates; the preparation of the construction Bid Package, and, the securing any permits necessary before construction of the park can begin. Beneficiaries of the project are the patrons of the park.		
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 type="checkbox"/> CATEGORICAL EXEMPTION <input checked="" type="checkbox"/> GENERAL EXEMPTION <input type="checkbox"/> STATUTORY EXEMPTION	<u>CITY CEQA GUIDELINES</u> 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(i)	<u>STATE CEQA GUIDELINES</u> ART. 18, Sec. 15269(a) ART. 18, Sec. 15269(b)(c) ART. 18, Sec. 15268 ART. 18, Sec. 15300 -15333 ART. 18, Sec. 15262 ART. 18, Sec. 15262
Class _____ _____ _____ _____	Category _____ _____ _____ _____	(City CEQA Guidelines) Art. II, Sec(s) _____ Art. II, Sec(s) _____ Art. II, Sec(s) _____ Art. II, Sec(s) _____
<input type="checkbox"/> OTHER (See Public Resources Code Sect. 21060(b) and set forth in state & city guidelines provisions)		
JUSTIFICATION FOR PROJECT EXEMPTION:  The proposed action consists in feasibility and planning studies. As such it is statutorily exempt from the provision of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2(d) of City CEQA Guidelines, as well as to Article 18, Section 15262 of California CEQA Guidelines. None of the limitations set forth in State CEQA Guidelines 15300.2 apply		
IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING		
SIGNATURE: PAUL DAVIS Environmental Supervisor II		DATE:
FEE \$75.00	RECEIPT NO.	REC'D. BY:
		DATE: