

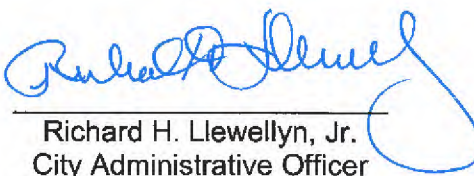
0111-31341-0124

TRANSMITTAL

TO Council	DATE 08-07-19	COUNCIL FILE NO. 14-1174-S65
FROM CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 4

At its regular meeting on July 25, 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 \$1,107,327 in CRA/LA Excess Non-Housing Bond Proceeds plus all earned interest from the East Hollywood/Beverly Normandie Redevelopment Project Area (Taxable Series 2003-A and 2006-B) for the Vermont Public Improvements 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 three 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:nsh15200019-revised

Attachment – July 25, 2019 EWDD Report – Vermont Avenue Public Improvements Project

CITY OF LOS ANGELES

CALIFORNIA

JOHN L. REAMER, JR.
INTERIM GENERAL MANAGERERIC GARCETTI
MAYOR**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**1200 W. 7TH STREET
LOS ANGELES, CA 90017

July 25, 2019

Council File:14-1174-S65
Council District No.: 4
Contact Person & Extension:
Daisy 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 REVIEW AND
RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, ALLOCATE
UP TO \$1,107,327 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS PLUS
ALL EARNED INTEREST FROM THE EAST HOLLYWOOD/BEVERLY NORMANDIE
REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-A AND 2006-B) FOR
THE VERMONT PUBLIC IMPROVEMENTS 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. **DETERMINE** that the Vermont Public Improvements Project (Project) consisting of allocating and withholding expenditure of funds for Project pending the completion, review and consideration of planning and environmental documents related to the installation a new traffic signal, curb ramps, street lighting and ADA improvements, is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) because it merely creates a funding mechanism or other government fiscal activity that does not commit the City to a project that may result in a potentially significant impact on the environment, and that preparing preliminary planning and environmental documents is not a project pursuant to CEQA Guidelines Section 15378(b)(5) because it is an administrative activity that will not result in physical changes in the environment;

2. APPROVE up to \$1,107,327 in taxable CRA/LA Excess Non-Housing Bond Proceeds (EBP) plus all earned interest (Interest) available to Council District (CD) 4 from the East Hollywood/Beverly Normandie Redevelopment Project Area (Project Area) to be utilized for Project;
3. AUTHORIZE the Department of Public Works, Bureau of Street Services (StreetsLA) to be the implementing department for activities related to Project;
4. AUTHORIZE the Controller to transfer appropriations within the CRA/LA EBP Fund No. 57D as follows:

Account	Account Name	Amount
Fr: 22L9EN	East Hollywood/Beverly-Normandie Tax Exempt	1,048,579.27
To: 22L9ET	East Hollywood/Beverly-Normandie Taxable	1,048,579.27

5. AUTHORIZE the Controller, subject to the requirements below and the availability of funds and a duly executed and encumbered contract(s), to expend up to \$1,107,327 from the CRA/LA EBP Fund No. 57D, Account Nos. 22L9ET and 22S9ET East Hollywood/Beverly Normandie Taxable, for activities related to the Project upon presentation of proper documentation from StreetsLA, and satisfactory review by EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
6. AUTHORIZE StreetsLA to perform limited preliminary planning as may be necessary to conduct the environmental review for Project from the above-noted funds allocated to Project;
7. DIRECT StreetsLA to withhold expending, or committing to expend, any of the remainder of the above-noted funds allocated to Project until all of the following have occurred:
 - a. StreetsLA has completed the preliminary planning documents and environmental review documents;
 - b. The City has complied with CEQA requirements with respect to Project, including obtaining any necessary CEQA clearances; and
 - c. The Board of Public Works (BPW) has considered and approved Project for expenditure of the remaining funds;
8. DIRECT StreetsLA to transmit copies of all executed contract(s) for Project to EWDD;
9. DIRECT StreetsLA to expend the CRA/LA EBP allocation no later than September 30, 2024 pursuant to a duly executed and valid contract;
10. DIRECT StreetsLA 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

11. 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 4 Motion (Ryu-Price) (Attachment) which was adopted by Council on February 26, 2019 (C.F. 14-1174-S65).

This transmittal recommends that up to \$1,107,327 in taxable EBP plus Interest in Project Area be allocated to Streets LA to implement public improvements on Vermont Avenue (Vermont). Promise Zone Program projects to fund opportunities for public improvements where the proposed Project is located, was identified as a potential project in the Project Area's Bond Spending Plan (BSP) that was adopted by Council on June 24, 2015 (C.F. 14-1174). Sufficient funds for this purpose are available from CD 4's share of EBP in the Project Area.

The original EBP in Project Area available to CD 4 was \$1,221,789 all taxable. After the mandated 16% (\$195,486) for bond administration, \$1,026,303 became available for CD 4. CD 4 subsequently received a transfer of \$96,457 taxable EBP from CD 10. It added a net \$81,024 EBP after the 16% (\$15,433) for bond administration, thus bringing CD 4's total taxable EBP to \$1,107,327. This Motion's request will completely exhaust CD 4's EBP in Project Area.

EWDD ANALYSIS

EWDD and the BOC team met with CD 4 and StreetsLA regarding Project. The proposed improvements are located on Vermont primarily between Franklin Avenue and where Hollywood Boulevard and Prospect Avenue intersect with Vermont. Project improvements include a new traffic signal, curb ramps, and plaza upgrades including street lighting and accessibility improvements. The initial costs estimate for Project is \$1,138,824 which will be 100% funded by CD 4's EBP plus Interest (through June 30, 2019) in the Project Area. The proposed scope of work and estimated budget breakdown is as follows:

1. Design and Coordination	\$220,000
2. New Traffic Signal	\$300,000
3. Tree and Stump Removal	\$ 5,000
4. Curb Ramps	\$100,000
5. Street Lighting	\$ 15,000
6. Sidewalk upgrades	\$100,000
7. New Trees	\$ 20,000
8. Plaza upgrades	\$240,000
9. Contingency	<u>\$138,824</u>
Total Estimated Project Cost	\$1,138,824

Upon Council adoption and City compliance with CEQA, design and preparation of construction document is expected to begin in October 2019 and will last 12 months. Installation is expected to begin in October 2020 and will occur over the next 6 to 9 months. Completion is projected for July 2021.

Contract execution and funding for the contract(s) must be encumbered no later than September 30, 2019 with EBP allocation fully expended no later than September 30, 2024. Deliverables and/or activity reports showing percentages of completion must accompany StreetsLA's original signed-off invoices 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 actual expenditures adhere to those categories and amounts outlined in this transmittal.

StreetsLA will report on its work accomplishments to CAO, and fund expenditures to the EWDD, on a quarterly and as-needed basis for their respective reporting to the BOC, Mayor and CRA/LA.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The Project will provide community benefits to the surrounding neighborhood by upgrading the safety and accessibility of the sidewalk along this section of Vermont, thus carrying out the City's top priority of improving the daily safety of pedestrians, bicyclists and drivers. Vermont is one of the City's busiest corridors, and by increasing the pedestrian safety for travelers along the street with a new traffic signal, street lighting, curb ramps, and sidewalk improvements, residents and visitors will realize significant benefits in the form of improved quality of life, economic development and enhanced incentives for walking along the corridor. The addition of street trees will add to the aesthetics and sustainability of the area, making for a more attractive and active street.

ENVIRONMENTAL REVIEW

The City of Los Angeles Housing and Community Investment Department provided the environmental analysis below:

The recommended actions are not considered a project pursuant to CEQA. Consistent with CEQA Guidelines Section 15378(b)(4), approving the appropriation of funds for Project and concurrently withholding any expenditure of those funds pending the completion, review, and consideration of planning and environmental documents and consideration of whether or not to approve Project, is not a project. Such 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 would be made available to Project, similar to other regular government budgeting activities. But, just as such occurs with other City budgeting procedures, no construction of 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 BPW has ultimately reviewed and determined whether or not to approve moving forward with, and expending the funds on, Project.

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

Also consistent with CEQA Guidelines Section 15378(b)(5), preparing preliminary planning and environmental documents 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 does not commit the City to completing Project. Rather, such documents merely facilitate assisting BPW with evaluating whether Project will potentially impact the environment when it considers whether to approve Project.

CAO COVENANT REVIEW

The CAO has completed its review of the original bond documents and covenants, and has found that the proposed use of 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 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 14-1174-78). Said transfers have been deposited with the Office of the Controller.



JOHN L. REAMER, JR.
Interim General Manager

JLR:SH:DH:NSH:MMS:JL

ATTACHMENT: Motion (Ryu-Price) C. F. 11-1174-S65

MOTION ECONOMIC DEVELOPMENT

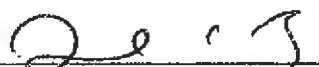
Improving the daily safety of pedestrians, bicyclists and drivers is a top priority throughout the City of Los Angeles. The commuter experience along Vermont Avenue has worsened as the street and sidewalk infrastructure has aged and fallen into disrepair. Various improvements necessary to enhance safety along Vermont Avenue, between Hollywood Boulevard and Franklin Avenue, have recently been identified, including sidewalk repair, curb cuts, pedestrian ramps, tree planting, and the installation of a traffic light.

Funds are available to Council District 4 through taxable CRA/LA Excess Bond Proceeds from the East Hollywood/Beverly Normandie Redevelopment Project Area that can help fund the Vermont Avenue Public Improvements project. 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 CRA/LA Excess Bond Proceeds towards projects that benefit a Promise Zone in the East Hollywood/Beverly Normandie Redevelopment Project Area is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that the Council authorize the expenditure of all remaining taxable CRA/LA Excess Bond Proceeds available to Council District 4, including any earned interest, from the East Hollywood/Beverly Normandie Redevelopment Project Area, to be utilized by the Department of Transportation, Bureau of Street Services, and Bureau of Street Lighting to install and repair public improvements along Vermont Avenue; and

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Department of Transportation, Bureau of Sanitation, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate all remaining taxable CRA/LA Excess Bond Proceeds available to Council District 4, including any interest, for a public improvement project benefitting a Promise Zone as identified in the Bond Expenditure Agreement and Bond Spending Plan for the East Hollywood/Beverly Normandie Redevelopment Project Area.

PRESENTED BY



DAVID RYU

Councilmember, 4th District

SECONDED BY

