

0111-31341-0143

TRANSMITTAL

TO Council	DATE 10-15-19	COUNCIL FILE NO. 14-1174-S73
FROM CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 1

At its Special Meeting on October 10, 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 \$200,000 in CRA/LA Excess Non-Housing Bond Proceeds from the Pico Union 2 Redevelopment Project Area (Taxable Series 2008-B) for the Pico Union 2 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 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:nsh15200074

Attachment – October 10, 2019 EWDD Report – Pico Union 2 Public Improvements Project

CITY OF LOS ANGELES

CALIFORNIA

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

October 10, 2019

Council File:14-1174-S73
Council District No.: 1
Contact Person & Extension:
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 REVIEW AND
RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, ALLOCATE UP
TO \$200,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE
PICO UNION 2 REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2008-B) FOR
THE PICO UNION 2 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. FIND that the action of appropriating and withholding expenditure of funds for the Pico Union 2 Public Improvements Project (Project) pending the completion, review and consideration of planning and environmental documents related to Project 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 \$200,000 in taxable CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District (CD) 1 from the Pico Union 2 Redevelopment Project Area (Project Area) to be utilized for Project;

3. AUTHORIZE the Board of Public Works (BPW), Office of Community Beautification (OCB) to be the implementing department for activities related to Project;
4. AUTHORIZE OCB to take the necessary actions to effectuate Project, and select from its list of approved contractors a contractor (Contractor) to perform all activities related to Project;
5. AUTHORIZE OCB to negotiate and execute any contracts and related documents necessary (Contract) to implement Project with Contractor subject to prevailing wage requirements;
6. DIRECT OCB to transmit copies of all executed Contract for Project to EWDD;
7. Direct OCB to expend the EBP allocation no later than September 30, 2024;
8. AUTHORIZE the Controller, subject to the availability of funds and a duly executed Contract, to expend up to \$200,000 from the EBP Fund No. 57D, Account 22L9OT Pico Union 2 Taxable Series 2008-B for activities related to Project upon presentation of proper documentation by OCB, and satisfactory review and approval of EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
9. AUTHORIZE the Department of Public Works, Bureau Of Engineering (BOE), on behalf of OCB, to perform limited preliminary planning as may be necessary to conduct the environmental review for Project from the above-noted funds appropriated to Project;
10. DIRECT OCB 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. BOE has completed the preliminary planning documents and environmental review documents on its behalf;
 - b. The City has complied with the requirements of CEQA with respect to Project, including obtaining any necessary CEQA clearances; and
 - c. BPW has considered and approved Project and Contractor for expenditure of the remaining funds;
11. DIRECT OCB 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;
12. AUTHORIZE the Interim General Manager of EWDD, or designee, to make any corrections or clarifications to this report as necessary in order to effectuate the intent of this action; and

13. 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 1 Motion (Cedillo-Huizar) (Attachment) which was adopted by Council on June 12, 2019 (C.F. 14-1174-S73).

The Motion seeks \$200,000 in taxable EBP for OCB to implement public improvements, including the repair and installation of sidewalks, ADA ramps, signage, crosswalks and crosslights. Streetscape Improvements to major commercial corridors was identified as a potential project in 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 1's portion of EBP in this Project Area.

The original taxable EBP in Project Area available to CD 1 was \$3,739,238, all taxable. After the 16% (\$598,278) administrative allocation, the net remaining EBP was \$3,140,960. This transmittal's \$200,000 request, along with 2 BOC/Council adopted projects, will completely exhaust CD 1's EBP in Project Area.

EWDD ANALYSIS

The BOC team met and consulted with CD 1 and OCB regarding Project and scope of work. The Project will consist of 2 parkway improvements, several parkway clearings, 2 tree removals and replacements, and the addition of approximately 100 new tree plantings. OCB will select from its duly procured bench list of contractors to perform the repairs and improvements.

The total cost estimate for Project is \$200,000, which will be 100% funded by CD 1's EBP in Project Area. OCB's proposed scope of work and budget line items are as follows:

Taxable EBP

Non-Construction (Includes CEQA fee)	\$ 44,095
Parkway Improvements	\$ 68,880
Tree Well Establishment	\$ 8,850
Tree Removals	\$ 4,728
Concrete Work	\$ 58,000
Tree Plantings	\$ 447
Contingency	\$ 15,000
Total Taxable Cost Estimates	\$200,000

Upon Council adoption of Project and City's compliance with CEQA requirements, Project aims to commence in January 2020 with completion targeted for December 2021. All construction work and labor for Project will be subject to prevailing wage requirements.

OCB with negotiate and execute Contract and all related documents with Contractor with funding encumbered in a timely fashion. EBP appropriation must be fully expended no later than September 30, 2024. Deliverables and/or activity reports showing percentages of completion must accompany OCB's original signed off invoices which shall be submitted to EWDD. Disbursements will be authorized upon receipt and satisfactory review by EWDD to ensure compliance with bond covenants, adherence to the terms and conditions of the BEA and BSP, and that the approved charges adhere to the spending categories and amounts outlined in this transmittal.

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

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits in Project Area by enhancing the sustainability, aesthetics, and overall quality of life for residents in the Pico Union neighborhood. The improvement of parkways will reduce blight and promote a greener landscape that will enhance community beautification. The Pico Union area is one of the more densely populated areas in the City, and the addition of trees and manicured parkways will serve to increase the well-being of those who walk and carry out daily activities in Project Area.

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 allocation 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 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, OCB's expenditure of the remainder of the funds will not occur until all of the following have occurred: (1) BOE has completed the preliminary planning and environmental review documents; (2) the City has complied with the requirements of the CEQA with respect to Project, including obtaining any necessary CEQA clearances prior to final consideration and approval of Project by the BPW; 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 the Project.

CAO 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 for the purposes outlined in this report, 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:NSH

ATTACHMENT: Motion (Cedillo-Huizar) C.F. 14-1174-S73

MOTION ECONOMIC DEVELOPMENT

Improving the daily safety and public experience of pedestrians, bicyclists and drivers is a top priority throughout the City of Los Angeles. Various improvements necessary to enhance pedestrian safety and the public experience in the Pico Union 2 Redevelopment Project Area in Council District 1 have been identified, including the repair and installation of sidewalks, ADA ramps, signage, crosswalks and crosslights.

Funds are available to Council District 1 through taxable CRA/LA Excess Bond Proceeds from the Pico Union 2 Redevelopment Project Area that can help fund the Pico Union 2 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 streetscape improvements in the Pico Union 2 Redevelopment Project Area is identified as eligible expenses in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Office of Community Beautification, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate \$200,000 in taxable CRA/LA Excess Bond Proceeds available to Council District 1 for streetscape improvements as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pico Union 2 Redevelopment Project Area.

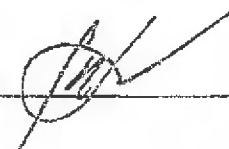
I FURTHER MOVE that \$200,000 in taxable CRA/LA Excess Bond Proceeds available to Council District 1 from the Pico Union 2 Redevelopment Project Area be utilized by the Office of Community Beautification to fund the Pico Union 2 Public Improvements Project upon City Council approval of the forthcoming Economic and Workforce Development Department report.

PRESENTED BY



GILBERT A. CEDILLO
Councilmember, 1st District

SECONDED BY



ORIGINAL

