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TRANSMITTALTo:
CouncilDATE
04-21-17COUNCIL FILE NO.
14-1174-S9From:
CRA/LA Bond Oversight CommitteeCOUNCIL DISTRICT
10

At its meeting of April 18, 2017 the CRA/LA Bond Oversight Committee (BOC) adopted the recommendations of the attached Economic Workforce Development Department (EWDD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize the Bureau of Engineering to utilize up to \$3,000,000 in CRA/LA Excess Bond Proceeds available to Council District 10 within the Wilshire/Koreatown Project Area for community facilities improvements related to the Pio Pico Library Park project.

Fiscal Impact Statement: There is no General Fund impact from the proposed allocation of CRA/LA Excess Bond Proceeds.

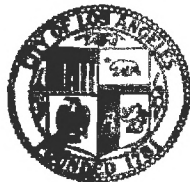


Richard H. Llewellyn, Jr.
Interim City Administrative Officer
Chair, CRA/LA Bond Oversight Committee

RHL:JVW:SMR:15170073

JAN PERRY
GENERAL MANAGER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

April 18, 2017

Council File: 14-1174-S9
Council District No.: 10
Contact Persons & Extensions:
Daisy Hernandez: (213) 744-9340

CRA/LA Bond Oversight Committee
c/o Stephanie Magnien
Office of the City Administrative Officer
Room 1500, City Hall East

**COMMITTEE TRANSMITTAL: REQUEST COMMITTEE REVIEW AND
RECOMMENDATION TO COUNCIL TO APPROPRIATE \$3,000,000 IN CRA/LA
EXCESS NON-HOUSING BOND PROCEEDS FROM THE WILSHIRE/ KOREATOWN
REDEVELOPMENT PROJECT AREA (TAXABLE SERIES A \$1,656,700; TAX-
EXEMPT SERIES C \$1,343,000) FOR COMMUNITY FACILITIES AND OPEN SPACE
ACTIVITIES (PIO PICO LIBRARY PARK PROJECT)**

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

SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 10 Motion (Wesson -O'Farrell) dated May 11, 2016 (CF 14-1174-S9) which was adopted by Council on June 1, 2016. This Motion seeks to appropriate \$3,000,000 in Community Redevelopment Agency of the City of Los Angeles Non-Housing Excess Bond Proceeds (EBP) available to Council District (CD) 10 from the Wilshire/Koreatown Redevelopment Project Area (Project Area) for capital improvements to public facilities and parks as identified in the Bond Spending Plan for this Project Area. The proposed use of funds is permissible under the Bond Spending

Plan (BSP) adopted by City Council on October 29, 2014 (CF 14-1174); and sufficient funds for this purpose are available from CD 10's portion of EBP in this Project Area.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Bond Oversight Committee review, approve and process the following recommendations for Council approval:

1. APPROVE \$3,000,000 in CRA/LA Excess Bond Proceeds available to Council District 10 from the Wilshire/Koreatown Redevelopment Project Area within the district be utilized for feasibility community facilities;
2. AUTHORIZE the Controller to give the Department of Public Works, Bureau of Engineering (BOE) access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to the Pio Pico Library Park project;
3. AUTHORIZE the BOE to:
 - a. Expend funds not to exceed \$1,656,700 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9TT, Wilshire/Koreatown, Taxable Series A for transactions related to the Pio Pico Library Park project upon proper documentation and satisfactory review by the EWDD;
 - b. Expend funds not to exceed \$1,343,300 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9TN, Wilshire/Koreatown, Tax-exempt Series C for transactions related to the Pio Pico Library Park project upon proper documentation and satisfactory review by the EWDD;
4. AUTHORIZE the Controller to:
 - a. Establish a new account and transfer funds within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

Account No.	Account Name	Amount
From:		
22L9TT	Wilshire/Koreatown, Taxable Series A	\$ 35,000
To:		
22N178	BOE	\$ 35,000

- b. Appropriate the amount of \$35,000 from Fund 57D, Account 22N178 to the BOE Fund 100/78 for fiscal year 2016-17 (Year 1) staffing as follows:

Acct No.	Acct. Name	Amount
001010	Salaries - General	\$ 35,000
001090	Salaries - Overtime	\$ 0
003030	Constructions Expense	\$ 0
003040	Contractual Services	\$ 0
006020	Operating Supplies	\$ 0
	Total	\$ 35,000

5. **AUTHORIZE** the BOE to be the implementing department, and to expend funds not to exceed \$3,000,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund. No 57D for transactions related to the development of parking and a pocket park at 694 South Oxford Avenue and surrounding open spaces upon proper documentation and satisfactory review by the EWDD;
6. **RESOLVE** that the City Council, subject to the approval of the Mayor, authorize an Architect resolution authority position, Class Code 7925, from July 1, 2017 through June 30, 2018, in accordance with Section 4.133(a) of the Los Angeles Administrative Code, subject to an allocation of the position by the Civil Service Commission;
7. **INSTRUCT** the City Clerk to place on the City Council agenda for July 1, 2017, or soon thereafter, the following recommendation for adoption;
8. **AUTHORIZE** the Controller to:
 - a. Establish a new account and transfer funds within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

Account No.	Account Name	Amount
From:		
22L9TT	Wilshire/Koreatown, Taxable Series A	\$ 405,000
To:		
22X178	BOE	\$ 405,000

- b. Appropriate the amount of \$405,000 from Fund 57D, Account 22X178 to BOE Fund 100/78 for fiscal year 2017-18 (Year 2) staffing as follows:

Acct No.	Acct. Name	Amount
001010	Salaries - General	\$ 180,000
001090	Salaries - Overtime	\$ 10,000
003030	Constructions Expense	\$ 210,000
003040	Contractual Services	\$ 0
006020	Operating Supplies	\$ 5,000
	Total	\$ 405,000

9. AUTHORIZE the use of \$3,000,000 in CRA/LA Excess Non-Housing Bond Proceeds subject to the project's Categorical Exemption or compliance with all necessary environmental reviews under the City's California Environmental Quality Act guidelines;
10. AUTHORIZE the General Manager, 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 Bond Oversight Committee, and authorize the Controller to implement these instructions; and

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (CF 14-1174). Said transfer has been deposited with the Office of the Controller.

CD 10 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

CD 10 is entitled to \$7,128,256 in Excess Bond Proceeds over three project areas: East Hollywood, Normandie and Wilshire Center/Koreatown. CD 10's original EBP consist of \$1,343,301 in tax-exempt bond proceeds in one projects area, and \$5,784,955 in taxable bond proceeds in all three project areas. The details are reflected below:

CRA Project Area	CD 10's Percentage Share of Project Area EBP	Tax-Exempt Bond Proceeds	Taxable Bond Proceeds	Total Bond Proceeds in Project Area
East Hollywood	3 %	\$ 0	\$ 96,457	\$ 96,457
Normandie	5 %	\$ 0	\$ 56,635	\$ 56,635
Wilshire Center / Koreatown	72.3 %	\$1,343,301	\$5,631,863	\$6,975,163
TOTAL		\$1,343,301	\$5,784,955	\$7,128,256

The approved bond spending within CD 10's three project areas total \$13,995,469. The proposed bond spending within each redevelopment area does not provide a breakdown per Council District. Targeted expenditures on Projects, Programs and Activities for each project area per the BSP are broken down as follows:

CRA Project Area	Infrastructure	Community Facilities	Affordable Housing	Business Assistance	Total Project Area Spending
East Hollywood	\$ 500,000	\$ 500,000	\$ 0	\$2,215,234	\$ 3,215,234
Normandie	\$ 700,000	\$ 0	\$ 0	\$ 432,706	\$ 1,132,706
Wilshire/Koreatown	\$ 0	\$6,647,529	\$1,000,000	\$2,000,000	\$ 9,647,529
TOTAL	\$1,200,000	\$7,147,529	\$1,000,000	\$4,647,940	\$13,995,469

ANALYSIS AND RECOMMENDATIONS

The 0.6-acre property at 694 South Oxford Avenue is part of the existing Pio Pico Library located in the Koreatown District. The site is surrounded by commercial buildings and mix-use developments. Currently the site is paved and being used as a parking lot by the patrons of the library. This project represents an opportunity to create a neighborhood pocket park in the Koreatown area. It will be the only urban public park serving a population of roughly 40,000 residents, as well as thousands of visitors and those who work in the area.

CD 10's motion, adopted on June 1, 2016, seeks to invest \$3,000,000 EBP available to Council District 10 towards creating park and open space as identified in the Bond Spending Plan for this Project Area. The Wilshire/Koreatown Redevelopment Project Area originally contained \$6,975,164 in EBP that was targeted for CD 10. However, \$112,864 has previously been appropriated to cover the EBP program planning and reporting expenditures; thus, \$6,862,300 of EBP is available for projects in the Wilshire/Koreatown Redevelopment Project Area.

The community benefits to the City of Los Angeles include: a new pocket park and open space, permanent and increased parking for visitors and staff for the Pio Pico Library,

walking and bicycle accessibility for the library, park and adjacent Metro Line passengers.

EWDD has consulted with CD 10 and BOE staff regarding the Motion and the anticipated scope of work. BOE will be the implementing department and the construction manager for this project. The anticipated work to be performed includes: demolition of an existing surface lot (61 spaces); construction, use and maintenance of one subterranean level of parking (43 spaces); a surface public park with two disabled access spaces and approximately 72 bicycle parking spaces. Angled metered parking will also be included along Oxford, Serrano and 7th Street.

The total cost estimate for the project is \$13 million. Funding sources are broken down as follows:

CRA/LA EBP	\$3.0 Million
Community Development Block Grant (CDBG) Funds	\$1.7 Million
Quimby Funds	\$4.0 Million
Capital Improvement Expenditure Program (FY17-18 Budget)	<u>\$4.3 Million</u>
Total Project Cost Estimate	\$13 Million

Total project cost of \$13 million will be used for:

Construction	\$8.3 Million
Construction contingency	\$1.7 Million
Soft costs	\$2.1 Million
Cost escalation	<u>\$1.0 Million</u>
Total	\$13 Million

The CRA/LA EBP from taxable and tax-exempt series will be applied as follows:

1. Taxable \$1,656,700

Hazmat survey	\$ 16,554
Project Management*	\$165,536
Project Engineering*	\$ 82,768
Bid & Award*	\$ 6,978
Design Consultants	\$827,680
Geotechnical	\$148,982
Environmental	\$205,982
Public Art Work*	\$ 82,768
Plan Check, Permits*	<u>\$119,452</u>
Total	\$1,656,700

* BOE's staffing costs for these functions (Years 1 and 2) will be paid out of the accounts totalling \$440,000 outlined in Recommendations #4 and #7 on pages 2-4 of this report.

2. Tax-Exempt \$1,343,300

Tax-Exempt proceeds will be used solely towards the actual \$7,776,800 in construction hard costs as follows: The \$500,000 "B" Permit Fees will be excluded.

Basement Parking Structure	\$5,284,800
Pocket Park	\$2,492,000
"B" Permit Fees	<u>\$ 500,000</u>
Total Construction Hard Cost	\$8,276,800

Construction of this project is expected to begin in the fall of 2017, and will be completed in fall 2018. BOE will report to CAO on a quarterly basis regarding work accomplished and funds expended in order to facilitate EWDD's quarterly and semi-annual reports to the BOC and Mayor/CRA.

The CAO has completed its review of the original bond documents, and found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. EWDD will establish a new fund for each bond series before making disbursements on expenditures. It is recommended that \$1,656,700 in taxable bond proceeds (Wilshire/Koreatown, Taxable Series A), and \$1,343,300 in tax-exempt bond proceeds (Wilshire/Koreatown, Tax-Exempt Series C) totalling \$3,000,000 in CRA/LA EBP be appropriated for the purposes outlined in the motion.

BACKGROUND

Pursuant to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles on February 1, 2012, CRA/LA, a Designated Local Authority (CRA/DLA) was established on February 3, 2012 to serve as the successor agency. AB 1484, which passed the State legislature on June 27 2012, permits eligible successor agencies to use unobligated pre-2011 tax allocation bond proceeds (Excess Bond Proceeds) for new obligations, as long as the funds are used in a manner consistent with the original bond covenants.

To that end, the City of Los Angeles (City) executed a Bond Expenditure Agreement (BEA) with CRA/LA in January 2015 which authorized the transfer of approximately \$84.1 million in EBP from the CRA/LA to the City. The \$84.1M was generated by 26 bond issues of which 7 were tax exempt (\$41.4 million), and 19 were taxable (\$42.6 million). The EBP is to be spent on bond eligible purposes that are of maximum benefit to the City, and the Affected Taxing Entities including the County, School District, and Community College District. The EBP does contain provisions for 16% of taxable EBP to be expended on staff administration and project evaluation costs.

April 18, 2017

The City Council also adopted a Bond Spending Plan (BSP) which was created by the offices of the Mayor, City Administrative Officer, Chief Legislative Analyst, EWDD, Housing and Community Investment Department (HCID), and Bureau of Engineering (BOE) to implement the BEA. The BSP delineates each redevelopment project area's available EBP broken down by their taxable or tax-exempt origin; and outlines permissible investments by project, program and activity per project area as follows:

1. Public Infrastructure – Capital improvements to roadways, utility infrastructure, streetscapes and sidewalks;
2. Community Facilities/Open Space – Land acquisition, new construction and improvements to schools, libraries, community centers, parks, public plazas, museums, theaters;
3. Affordable Housing Projects – Land acquisition, new construction, rehabilitation of existing buildings, and preservation of affordability covenants; and
4. Business Assistance and Catalytic Commercial Development – Establishment and investment in Business Districts to create jobs, façade programs, technical assistance to small businesses, development of underutilized/contaminated sites to address blight, develop catalytic projects to attract private investment, and rehabilitation of historic/commercial buildings.

Additionally, potential projects, including high priority investments, are identified per project area.

The City will use the EBP for redevelopment purposes for which the bonds were sold and consistent with the applicable bond covenants as set forth in the bond documents, BEA, applicable provisions of the Community Redevelopment Law and Redevelopment Plans, and the BSP. The BSP allows the City to transfer funds between projects, programs and activities as long as the funds remain within the Redevelopment Project Area from which the EBP are derived.



JAN PERRY
General Manager

JP:SH:DH:MMS:YY

ATTACHMENT: Motion (Wesson- O'Farrell) C.F. 11-1174-S9

MOTION ECONOMIC DEVELOPMENT

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.

Koreatown is one the densest communities in the United States housing over 55,000 residents within a 6.2 mile radius. Council District 10 is also among one of the most park poor communities within the City of Los Angeles. For many years, community activists in Wilshire/Koreatown have been advocating for more open space, green space, and landscape. In October 2014 and December 2015, Council adopted Motions regarding the possibility of splitting a City-owned parcel located at 694 South Oxford Avenue, Los Angeles, CA 90005 (APN 5093-006-900) to allow for development of a pocket park and provide replacement parking (C.F. 14-1475).

The City-owned parcel is home to the Pio Pico – Koreatown Branch of the Los Angeles Public Library and includes a 55-space parking lot, three of which are designated handicap spaces. Council previously instructed the Bureau of Engineering (BOE) to develop and present a concept/feasibility study, including estimated costs, for the provision of both parking and green space enhancement options (including a review of elevated/underground parking/park options) on the subject site. BOE is currently undergoing that process which will involve some coordination with Recreation and Parks and the Los Angeles Public Library.

I THEREFORE MOVE that all tax-exempt and a portion of taxable CRA/LA Excess Bond Proceeds in a combined amount not to exceed \$3 million that is available to Council District 10 from the Wilshire Center/Koreatown Redevelopment Project Area be utilized to assist in the feasibility analysis and development costs related to the development of open space/park space with replacement parking located adjacent to the Pio Pico – Koreatown Branch of the Los Angeles Public Library located at 694 South Oxford Avenue, Los Angeles, CA 90005.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Council District 10, Bureau of Engineering, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate all tax-exempt and a portion of taxable CRA/LA Excess Bond Proceed in an amount not to exceed \$3 million to assist with the feasibility analysis and development costs related to the development of open space/park space with replacement parking adjacent to the Pio Pico – Koreatown Branch of the Los Angeles Public Library, as described above and identified in the Bond Expenditure Agreement and Bond Spending Plan for the Wilshire Center/Koreatown Redevelopment Project Area.

PRESENTED BY

HERB J. WESSON, JR.

Councilmember, 10th District

SECONDED BY

MAY 11 2016