

MOTION ECONOMIC DEVELOPMENT

On January 16, 2015, the City of Los Angeles (City) and CRA/LA, a Designated Local Authority (CRA/LA), entered into a Bond Expenditure Agreement (BEA) for the transfer of approximately \$86.4 million in CRA/LA Excess Bond Proceeds (EBP) to the City for use on projects identified in the Bond Spending Plan contained within the BEA and that are consistent with the provisions of the underlying bond covenants, Redevelopment Plan, and Five Year Implementation Plan for each respective Project Area (C.F. 14-1174; Contract No. C-125212). The principal amount of the EBP funds has increased to approximately \$88.4 million due to subsequent transfers received from CRA/LA. In addition, the EBP funds have earned approximately \$4.9 million in interest monies.

As required by the BEA, the City formed a Bond Oversight Committee (BOC) and designated the Economic and Workforce Development Department (EWDD) and City Administrative Officer (CAO) as the administrators of the EBP funds. The City is required to fully encumber all EBP funds and interest monies earned within five years or January 15, 2020. As of December 11, 2019, Council and Mayor have approved appropriations for 100 percent of the EBP toward eligible projects.

EWDD and the CAO are now in the process of finalizing agreements to document the encumbrance of those funds to satisfy the City's obligation under the BEA to fully encumber all funds by January 15, 2020. Going forward, it will be important for City staff to carefully monitor the progress of each approved project to ensure that all EBP funds are expended appropriately and in a timely manner, as well as to monitor any budgetary issues that may arise as projects are implemented.

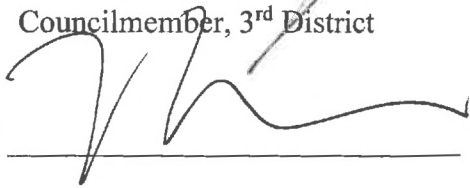
I THEREFORE MOVE that Council instruct the Chief Legislative Analyst, with the assistance of the Economic and Workforce Development Department and City Administrative Officer, to report on the status of all CRA/LA Excess Bond Proceeds and the process for actively monitoring project implementation, and present any recommendations necessary to ensure that all funds are expended in a timely manner and in accordance with underlying Bond Expenditure Agreement (C.F. 14-1174; Contract No. C-125212).

PRESENTED BY



BOB BLUMENFIELD  
Councilmember, 3<sup>rd</sup> District

SECONDED BY



ORIGINAL



JAN 17 2020