

0111-31341-0006

TRANSMITTAL

To: Council	DATE 02/26/18	COUNCIL FILE NO. 14-1174-S32
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 13

At its meeting on February 22, 2018, the Community Redevelopment Agency of Los Angeles (CRA/LA) Bond Oversight Committee (BOC) approved recommendations in the attached Economic and Workforce Development Department (EWDD) report, which is hereby transmitted to Council for consideration. The BOC also requested a report back from RAP for its next meeting on the contract status and project funding structure. Adoption of the report recommendations would authorize the Department of Recreation and Parks to utilize up to \$1,529,000 in CRA/LA Excess Bond Proceeds available to Council District 13 within the Hollywood Redevelopment Project Area to assist in the cost of development, preparation and review of an Environmental Impact Report/Environmental Impact Study and associated technical studies for the proposed Hollywood Central Park Project.

Fiscal Impact Statement: Approval of the recommendations in this report will have no impact on the General Fund. The CRA/LA Excess Non-Housing Bond 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 (C.F. 14-1174).


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

RHL:JVW:BA:15180071

Attachment

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

JAN PERRY
GENERAL MANAGER

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

February 22, 2018

Council File: 14-1174-S32
Council District No.: 3
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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, APPROPRIATE UP TO \$1,529,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE HOLLYWOOD REDEVELOPMENT PROJECT AREA (TAX-EXEMPT 2008 SERIES F) FOR THE HOLLYWOOD CENTRAL PARK ENVIRONMENTAL STUDY 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 Mayor and City Council for their review and consideration.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Bond Oversight Committee recommend that the Council, subject to the approval of the Mayor as required:

1. APPROVE up to \$1,529,000 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds available to Council District 13 from the portion of the Hollywood Redevelopment Project Area within the District. The funds will be utilized by the Department of Recreation and Parks to assist in the cost of development, preparation and review of an Environmental Impact Report/Environmental Impact Study and associated technical studies for the proposed Hollywood Central Park Project;

2. AUTHORIZE the Department of Recreation and Parks to be the implementing department, and to expend funds up to \$1,529,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9FN Hollywood Tax-Exempt Series for transactions related to the Hollywood Central Park Environmental Study Project upon presentation of proper documentation and demand by the General Managers of the Department of Recreation and Parks and EWDD, or their designees. This authorization is subject to the General Manager of Recreation and Park's determination and reporting in writing to the General Manager of EWDD and the City Administrative Officer that all the funds required to complete the Hollywood Central Park Environmental Study Project have been fully secured;
3. AUTHORIZE the Controller, subject to the availability of funds and a duly executed contract between the Department of Recreation and Parks and the Friends of the Hollywood Central Park no later than December 31, 2019, to provide the Department of Recreation and Parks with access up to \$1,529,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9FN Hollywood Tax-exempt Series, to process transactions related to the Hollywood Central Park Project;
4. REQUEST the Board of Commissioners, Department of Recreation and Parks to make the required sole source procurement, sub-contractor engagement, and City Charter Sections 1022, 371 and 372 findings prior to the execution of any agreement with the Friends of the Hollywood Central Park;
5. AUTHORIZE the President and Secretary of the Board of Recreation and Parks Commissioners, to negotiate and execute an agreement and all related documents with the Friends of the Hollywood Central Park, no later than December 31, 2019, to provide services relative to the preparation of an Environmental Impact Report/Environmental Impact Study and associated technical studies for the proposed Hollywood Central Park Project;
6. DIRECT the Department of Recreation and Parks to report on its work accomplishments and fund expenditures to the City Administrative Officer and EWDD on a quarterly basis; and
7. AUTHORIZE the 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 AND BACKGROUND

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 13 Motion (O'Farrell-Ryu) which was adopted by Council on December 13, 2017 (C.F. 14-1174-S32).

CD 13's Motion seeks to appropriate up to \$1,529,000 in tax-exempt CRA/LA Excess Non-Housing Bond Proceeds (EBP) in the Hollywood Redevelopment Project Area (Project Area) within CD 13 to assist in the cost with developing, preparing and reviewing an Environmental Impact Report/Environmental Impact Study (EIR/EIS). The proposed use of funds, i.e. Public Infrastructure, is an approved funding category within the Bond Spending Plan (BSP) adopted by City Council (C.F. 14-1174); and sufficient funds for this purpose are available from CD 13's portion of EBP in this Project Area. The BSP identifies this park development as "Hollywood Cap Park" under its list of potential projects.

CD 13 has EBP in four (4) Project Areas. Its 89% share of the Hollywood Project Area EBP translated into an original amount of \$6,582,678 consisting of \$5,287,634 in tax-exempt EBP and \$1,295,044 in Taxable EBP. However, after the mandated 16%, or \$207,207, in taxable EBP for administration, the net taxable EBP became \$1,087,837. Combined with the tax exempt EBP, there were \$6,375,471 EBP available to CD 13 at onset in the Hollywood Project Area.

Only the unused tax-exempt portion of \$5,287,634 EBP is available in the Hollywood Project Area for CD 13's Motion. After the recommendations in this transmittal are adopted by City Council and the Mayor, CD 13 shall have \$3,758,634 tax-exempt EBP remaining in the Hollywood Project Area.

EWDD ANALYSIS

The Hollywood Central Park (HCP) EIR/EIS Project proposes to develop an approximately 38-acre park and recreational facility constructed above the U.S. 101 Freeway on an engineered deck and support structure. The structure would be built in the air space above the Hollywood Freeway between Bronson Avenue and Santa Monica Boulevard. The State Department of Transportation issued a memorandum delegating the City of Los Angeles (City) lead agency status in charge of the California Environmental Quality Act (CEQA) for the HCP in 2013. City Council subsequently designated the Department of Recreation and Parks (RAP) as the lead City agency for the preparation of the EIR/EIS for the proposed HCP project. City Council further instructed RAP to negotiate and execute an agreement (C-3498) with Friends of the Hollywood Central Park (FHCP) for \$525,000 to provide EIR/EIS related services. Of the approved amount, \$50,000 was expended on completing the first component of the EIR/EIS, which was publishing an initial Study and Notice of Preparation.

FHCP is a non-profit corporation that was created by advocates and supporters of the proposed HCP to raise funds, community interest and support for the development of the park. The RAP is currently preparing a report for its Board of Commissioners' consideration and approval to negotiate and execute a new agreement for \$2,004,000 with the FHCP. Funding for the new contract will come from the \$475,000 remaining from RAP's original contract C-3498 with FHCP, and the \$1,529,000 tax-exempt EBP requested in this report for a combined contract amount of \$2,004,000.

There are 5 additional components to this assignment which will take approximately 18 months to complete. The RAP provided an estimated budget as follows:

1. Technical Studies	\$ 860,000
2. Administrative Draft EIR	\$ 824,000
3. Draft EIR & All Technical Studies	\$ 200,000
4. Administrative Draft - Final EIR	\$ 50,000
5. Final EIR	\$ 70,000
Total:	\$2,004,000

FHCP is responsible for securing any additional funds necessary to complete the EIR/EIS. The City will release the EBP upon confirmation that the Board of RAP has approved FHCP as the sole source contractor, and the requirements listed in Recommendations #3, #4 and #5 above have been satisfied.

The RAP will report project progress status and funds expended to the CAO and EWDD on a quarterly basis.

COMMUNITY BENEFITS

The purpose of the HCP is to recreate community connectivity by developing an open space resource that serves as a focal point for recreation and civic life in the community. By constructing a cap over a portion of the existing Hollywood Freeway trench, HCP would create a street-level urban park that reunites communities separated by the Hollywood Freeway more than 60 years ago. The project would transform unused air space into a community resource that includes landscaped open space, multi-purpose fields, pedestrian meadows, small retail outlets and kiosks, restaurants, an amphitheater, a community center/interactive community areas, plazas and terraces, water features, playgrounds, dog parks etc. The project is expected to promote economic stimulus, create jobs, and provide a variety of engaging land uses.

ENVIRONMENTAL REVIEW

The Hollywood Central Park Environmental Impact Study, as defined herein, is statutorily exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15262 (Feasibility and Planning Studies) of the CEQA Guidelines. The study and its resultant Environmental Impact Report will be in furtherance of the requirements of the CEQA, pursuant to Title 14, Chapter 3, Article 7 (EIR Process) of the California Code of Regulations (Section 15080 et. seq. of the CEQA Guidelines).

CAO BOND COVENANT REVIEW

The CAO has completed its review of the original bond documents, and has found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. It is therefore recommended that up to \$1,529,000 in Tax-exempt Excess Non-Housing Bond Proceeds (2008 Series F) from the Hollywood Project Area be

appropriated for the purpose outlined in the Motion.

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 two transfers of approximately \$86 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.



JAN PERRY
General Manager

JP:MDC:SH:DH:MMS:AAC

ATTACHMENT: Motion (O'Farrell-Ryu) C. F. 11-1174-S32

MOTION

On July 3, 2012, the City Council approved various actions related to the proposed Hollywood Central Park project including an allocation of \$825,000 to the Bureau of Engineering to assist with the cost of City Department staff and the hiring of environmental consultants to do environmental analyses of the project (C.F. 12-0600-S120). On October 4, 2013, the City Council designated the Department of Recreation and Parks as the lead City agency for the development, preparation, and review of an Environmental Impact Report/Environmental Impact Study, and associated technical studies, for the proposed Hollywood Central Park project along with the transfer of \$785,000 from the Bureau of Engineering's previous allocation to finance the study (C.F. 13-1248). The \$825,000 approved by Council in combination with \$1,200,000 received through a donation from the Aileen Getty Foundation was initially thought to have been sufficient to complete the Environmental Impact Report/Environmental Impact Study, but it has been determined that an additional \$1.529 million in funding is needed to complete the work.

The Hollywood Central Park project proposes to cover a portion of the U.S. 101 Freeway, between Hollywood and Santa Monica Boulevards, to create a 44-acre street level park. If implemented, the Hollywood Central Park project would provide a new public park in a neighborhood where a large percentage of residents do not live near a park or recreational facility. In 2008, a feasibility study for the project determined that development of the Hollywood Central Park was both technically and functionally feasible.

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 tax-exempt CRA/LA Excess Bond Proceeds on the Hollywood Central Park project is listed as an eligible expense in the Bond Expenditure Agreement and related Bond Spending Plan for the Hollywood Redevelopment Project Area.

I THEREFORE MOVE that tax-exempt CRA/LA Excess Bond Proceeds available to Council District 13 in an amount not to exceed \$1,529,000 from the Hollywood Redevelopment Project Area be utilized by the Department of Recreation and Parks to assist in the cost of development, preparation, and review of an Environmental Impact Report/Environmental Impact Study, and associated technical studies, for the proposed Hollywood Central Park project in Hollywood.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Department of Recreation and Parks, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate tax-exempt CRA/LA Excess Bond Proceed not to exceed \$1,529,000 to assist in the cost of development, preparation, and review of an Environmental Impact Report/Environmental Impact Study, and associated technical studies, for the proposed Hollywood Central Park project in Hollywood as described above and identified in the Bond Expenditure Agreement and related Bond Spending Plan for the Hollywood Redevelopment Project Area.

PRESENTED BY


 MITCH O'FARRELL
 Councilmember, 13TH District

SECONDED BY


