


0111-31341-0223

TRANSMITTAL

TO The City Council	DATE 12-18-24	COUNCIL FILE NO. 14-1174-SXX
FROM The CRA/LA Bond Oversight Committee	COUNCIL DISTRICT All except 5 and 11	

At its special meeting on December 12, 2024, the CRA/LA Bond Oversight Committee (CRA/LA BOC) considered and approved the attached Economic and Workforce Development Department (EWDD) report dated December 10, 2024 relative to the 2024-25 CRA/LA Excess Bond Proceeds (EBP) Staffing Costs. Adoption of the report recommendations would allocate up to \$751,723 in CRA/LA EBP proceeds to cover staffing costs for the EWDD, City Administrative Officer, City Attorney, and the Personnel Department to administer and manage the CRA/LA EBP program. The EWDD report is hereby transmitted for City Council consideration.

FISCAL IMPACT: There is no impact on the General Fund. The administrative costs are fully funded by the bond proceeds transferred from CRA/LA to the City (C.F. 14-1174).



for Matthew W. Szabo
City Administrative Officer
Chair, CRA/LA Bond Oversight Committee

City of Los Angeles

CALIFORNIA



KAREN BASS
MAYOR

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

444 S. FLOWER STREET, 14TH FLOOR
LOS ANGELES, CA 90071

December 10, 2024

Council File: 14-1174-SXX
Council District No.: All except
5 & 11
Contact Persons & Extensions:
Daisy Hernandez: (213) 744-9340

CRA/LA Bond Oversight Committee
c/o Veronica Salumbides
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 \$751,723 IN CRA/LA EXCESS NON-HOUSING TAXABLE BOND PROCEEDS
FROM ALL CRA/LA REDEVELOPMENT PROJECT AREAS TO COVER THE 2024-
2025 STAFFING COSTS FOR THE OFFICE OF THE CITY ADMINISTRATIVE
OFFICER, CITY ATTORNEY, PERSONNEL, AND ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT TO ADMINISTER AND MANAGE THE CRA/LA
EXCESS NON-HOUSING BOND PROGRAM**

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 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 allocation of CRA/LA Excess Non-Housing Bond Proceeds (EBP) for staffing costs does not constitute a project as defined by Section 15378(b)(4) (Creation of Government Funding Mechanisms or Other Government Fiscal Activities) of the California Environmental Quality Act (CEQA) Guidelines;
2. APPROVE the proposed fiscal year (FY) 2024-2025 BOC staffing budget of \$751,723 for the Office of the City Administrative Officer (CAO), City Attorney, Personnel, and EWDD to manage the EBP program as detailed in Attachments A, B, and C;

3. APPROVE the administrative amounts identified in Recommendation No. 6 below inasmuch as only one year's administrative funding is requested at this time;
4. ALLOCATE up to \$475,099 for direct and related staffing costs to administer the EBP program (Program) using taxable EBP from each Project Area for staffing and reporting as described in Section 4.7(ii) of the Bond Expenditure Agreement (BEA) for the following departments: EWDD, City Attorney, and Personnel;
5. ALLOCATE up to \$276,624 for CAO's direct and related staffing costs for the tasks described in Section 4.3 of the BEA using taxable EBP from each Project Area as described in Section 4.7 (ii) of the BEA;
6. AUTHORIZE the Controller to:
 - a. Decrease appropriations within the CRA/LA EBP Fund 57D as follows:

Acct. No.	Account Name	Amount From 1% Reporting	Amount From 15% Staff/Admin	Total
From:				
22V122	Economic and Workforce Development	0	(6,652.91)	(6,652.91)
22W122	Economic and Workforce Development	0	(68,049.44)	(68,049.44)
22N299	Reimbursement of General Fund Costs	0	(884.46)	(884.46)
22P299	Reimbursement of General Fund Costs	0	(67,387.60)	(67,387.60)
22R299	Reimbursement of General Fund Costs	0	(203,189.52)	(203,189.52)
22S299	Reimbursement of General Fund Costs	0	(101,757.07)	(101,757.07)
22Y112	City Attorney	0	(6,608.24)	(6,608.24)
22S299	Reimbursement of General Fund Costs	0	(9,126.76)	(9,126.76)
22T166	Personnel	0	(2,150.15)	(2,150.15)
22V166	Personnel	0	(541.95)	(541.95)
22W166	Personnel	0	(0.45)	(0.45)
22S299	Reimbursement of General Fund Costs	0	(8,301.03)	(8,301.03)
22T299	Reimbursement of General Fund Costs	0	(449.42)	(449.42)
22T299	Reimbursement of General Fund Costs	0	(132,190.18)	(132,190.18)
22V299	Reimbursement of General Fund Costs	0	(117,077.65)	(117,077.65)
22W299	Reimbursement of General Fund Costs	0	(27,356.17)	(27,356.17)
Total		0	(751,723.00)	(751,723.00)

- b. Decrease appropriations within the CRA/LA EBP Fund No. 57D as follows:

** Adopted Budget for EWDD: \$540,578 Direct Costs; \$406,219 Reimbursement of General Fund Costs*

Account	Title	Amount
22A122	Economic and Workforce Development	(242,703)
22A299	Reimbursement of General Fund Costs	(246,343)
	Total	(489,046)

- c. Increase (Decrease) appropriations within Fund 100/22 as follows:

Account	Title	Amount
001010	Salaries General	(267,695)
001070	Salaries, As-Needed	1,476
001090	Overtime General	1,816
002120	Printing and Binding	33
002130	Travel	68
003040	Contractual Services	4,913
003310	Transportation	6
006010	Office and Administrative	6,853
006020	Operating Supplies	7
006030	Leasing	9,820
	Total	(242,703)

- d. Establish a new account and increase appropriations within the CRA/LA EBP Fund No. 57D as follows:

Account	Title	Amount
22A112	City Attorney	\$10,436

- e. Increase appropriations within Fund 100/12 as follows:

Account	Title	Amount
001010	Salaries General	\$10,436

- f. Establish a new account and increase appropriations within the CRA/LA EBP Fund No. 57D as follows:

Account	Title	Amount
22A166	Personnel	\$6,913

- g. Increase appropriations within Fund 100/66 as follows:

Account	Title	Amount
001010	Salaries General	\$6,913

- h. Establish a new account within the CRA/LA EBP Fund No. 57D and appropriate as follows:

** Adopted Budget for CAO: Direct Salaries \$138,520*

Account	Title	Amount
22A399	Reimbursement of General Fund Costs	\$138,104

7. AUTHORIZE the Controller, upon the request of the General Manager of EWDD, to revert unspent balances from future BOC staffing appropriations that have excess funds available back into Fund 57D;

8. AUTHORIZE the General Manager of EWDD, or designee, to make any corrections or clarifications to this report as necessary to effectuate the intent of this action; and
9. 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

In accordance with Council action (C.F. 14-1174) and the BEA executed between City and CRA/LA, a Designated Local Authority (CRA/LA), EWDD recommends a 2024-2025 BOC staffing budget of up to \$751,723 representing \$276,624 for CAO, and \$475,099 for EWDD (including allocations for City Attorney and Personnel) to manage the Program.

The CAO and EWDD are tasked with the administrative, covenant and redevelopment plan compliance, accounting, budget evaluation, contracting, payment disbursement, and reporting responsibilities under the CRA/LA EBP administration framework, which was adopted by Council on July 1, 2015 (C.F. 14-1174). To perform these duties, the CAO and EWDD rely on the expertise of staff to coordinate program activities and operational efforts. EWDD completed an analysis of the staffing budget and the necessary EBP funding required to fully support administration of the Program. This report provides an accounting of the staffing and funding needs to fulfill these duties during FY 2024-2025.

BACKGROUND

The City received an original \$84,071,895 in EBP on February 2, 2015 consisting of \$43,686,542 in taxable, and \$40,385,353 in tax-exempt EBP. City Council subsequently authorized the receipt of two (2) Recognized Obligations Payment Schedule (ROPS) transfers totaling \$4,328,457 during FYs 2017-2018 and 2019-2020 as part of the final disbursement on pre-2011 CRA/LA bond issuances. The aggregate EBP under City's administration stands at \$88,400,352 which is comprised of \$44,063,441 in taxable, and \$44,336,911 in tax-exempt, EBP. EBP interest earnings as of September 30, 2023, are \$8,531,661 bringing the aggregate principal and interest EBP total to \$96,932,013.

Staffing Budget

The BEA allows for 16%, or \$7,690,625 of all taxable EBP/ROPS received plus interest earned to be used over ten (10) years to support program administrative, planning, reporting, and staffing costs. However, the City applied (\$277,900) from the administrative pool to cover a project shortfall (C.F. 14-1174-S8), thus reducing the actual available administrative allowance to \$7,412,725. To partially reimburse the administrative pool for this reduction, Council approved the allocation of all available current and future earned interests plus unspent EBP for up to \$277,900 from the East Hollywood/Beverly-Normandie and all Project Areas to the 16% administrative account (C.F. 14-1174-S91). Interest earnings from the East Hollywood/Beverly-Normandie Project Area which may be used for staffing costs total \$83,788 bringing the available administrative allowance to \$7,496,513. Additionally, even though 16% of taxable

interest should have been set aside for bond administration, the determination that taxable interest was also eligible for administrative purposes was made after the City had already allocated (\$106,736) of its administrative share to projects, further reducing the actual administrative allowance to \$7,389,777. Through Council action on September 6, 2019 (C. F. 14-1174-S88), interest income has been allocated to staffing administration and 36 projects where applicable. Through June 30, 2024, the Office of the City Administrative Officer (CAO) and EWDD have expended \$6,326,383.07 for staffing charges and planning activities over approximately 10 fiscal years. The current remaining balance is \$1,063,393.93. Approval of the FY 2024-25 budget will reduce the administrative set-aside to \$311,670.93 to cover staffing costs through EBP program closeout in 2025.

The proposed FY 2024-2025 BOC staffing budget aligns with the anticipated activity level associated with the planning, administrative, compliance review/monitoring, accounting, contracting, and reporting functions during this FY. The City will continue to monitor workload and adjust staffing level as necessary.

The Mayor's Adopted Budget (C.F. 24-0600) includes \$138,520 for CAO Direct Salaries, \$540,578 for EWDD Direct Salaries, and \$406,219 for Reimbursement of General Fund Costs (Attachment C) to administer the program. The Mayor's FY 2024-2025 Adopted Budget of \$1,085,317 for BOC staffing yields a projected direct and indirect cost savings of \$333,594 from the estimated CAO and EWDD expenditures.

CAO Staffing

CAO will continue to provide bond covenant compliance reviews, project implementation monitoring, coordination and management, and status updates as well as BOC meeting coordination and production. Since the inception of Program, CAO has been provided with one full-time equivalent (FTE) position funded at the salary level of a Principal Project Coordinator to perform this work. The position will be funded at 100% Direct, and 100% Indirect during FY 2024-2025 at a total cost of \$276,624. CAO's projected FTE position costing is detailed in Attachment B. It should be noted that other CAO Debt administration coordination, review and bond counsel consultation work are absorbed by CAO and funded by the General Fund.

EWDD Staffing

EWDD will continue to perform program and accounting support. A total of 1.80 FTE employees will be dedicated to EBP administration during FY 2024-2025. The work for FY 2024-2025 is performed by an Industrial and Commercial Finance Officer I (100%). Additional support staff totaling 80% of a FTE is spread across multiple positions in the Financial Management Division. In addition, EWDD's budget also includes provisions for the City Attorney and Personnel Department. Together, these positions will be funded during FY 2024-2025 at a total cost of \$475,099. EWDD's projected FTE position costing is detailed in Attachment B.

BENEFITS TO THE AFFECTED TAXING ENTITIES

The expenditures set forth in this report will provide community benefits in all Project Areas by ensuring that EBP are properly managed and expended on Programs,

Projects and Activities that are in accordance with the intent of the original bond issuance, and in compliance with the BEA, BSP and California Redevelopment Law.

It will benefit the affected taxing entities by allowing the City to administer funds for projects that will improve the public rights-of-way to promote economic development, improve safety, and enhance the appearance of streets along commercial corridors. Construction of public infrastructure improvements will allow for greater social equity by making a positive impact to the built environment while complementing other community development efforts. Safety will be enhanced for school children, pedestrians and bicyclists in general. Enhanced connectivity and improved access along commercial corridors will promote the public peace, health, safety, and public welfare in an effort to increase economic vitality for property owners and improve the overall quality of life for the Project Areas' residents.


ENVIRONMENTAL REVIEW

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

The transfer of EBP funds for staffing cost does not constitute a project as defined by Section 15378(b)(4) (Creation of Government Funding Mechanisms or Other Government Fiscal Activities) of the State CEQA Guidelines.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed allocation of CRA/LA EBP. The 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, 14-1174-S78) plus interest. Said transfers have been deposited with the Office of the Controller.


Carolyn Hull (Dec 11, 2024 16:33 PST)

CAROLYN M. HULL
General Manager

CMH:FJ:DH:JL:JML

Attachment A: FY 2024-25 EWDD CRA/LA Excess Bond Proceeds Projected Expenditures – SUMMARY
B: FY 2024-2025 CRA/LA Excess Bonds (57D) Projected Direct Full Time Equivalents
C: City of Los Angeles Approved Budget – Budget for Fiscal Year 2024-2025 Department 22 Fund 57D

FY 2024-25 EWDD CRA/LA Excess Bond Proceeds Projected Expenditures – SUMMARY

Fund or Grant Name:	CRA/LA Excess Bond Proceeds
Fund Number (if available)	57D
Fiscal Year	2024-25
Total Grant or Fund Amount	
Service Providers, YSC, Special Funds	-
City Share	\$ -

DIRECT COSTS:

*This includes EWDD program staff, auditing and accounting staff, and direct non-labor expenses.
Proposed positions are listed at right.*

	<u>YSCs</u>	<u>Program</u>	<u>Admin</u>	<u>Total</u>
1010 - Salaries, General	-	158,728	67,265	225,993
1070 - Salaries, As Needed	-	-	-	-
1090 - Overtime General	-	-	-	-
2120 - Printing and Binding	-	-	-	-
2130 - Travel	-	-	-	-
3040 - Contractual Services	-	-	-	-
3310 - Transportation	-	-	-	-
3340 - Water and Electricity	-	-	-	-
6010 - Office and Admin	-	-	-	-
6020 - Operating Supplies	-	-	-	-
6030 - Leasing	-	5,245	2,362	7,607
	-	163,973	69,627	233,600
Related Costs at CAP 46 - EWDD				
Fringe Benefits	-	71,507	30,303	101,810
Central Services	-	15,666	6,639	22,306
	-	87,174	36,942	124,115
TOTAL EWDD DIRECT COSTS	-	251,146	106,569	357,715

DEPARTMENT GASP

This includes overhead such as department management, admin services, technology, leasing, etc.

	<u>YSCs</u>	<u>Program</u>	<u>Admin</u>	<u>Total</u>
1010 - Salaries, General	-	30,307	16,584	46,891
1070 - Salaries, As Needed	-	1,036	439	1,476
1090 - Overtime General	-	1,275	540	1,816
2120 - Printing and Binding	-	23	10	33
2130 - Travel	-	48	20	68
3040 - Contractual Services	-	3,451	1,462	4,913
3310 - Transportation	-	4	2	6
3340 - Water and Electricity	-	-	-	-
6010 - Office and Admin	-	4,813	2,040	6,853
6020 - Operating Supplies	-	5	2	7
6030 - Leasing	-	1,554	659	2,213
	-	42,517	21,758	64,275
Related Costs at CAP 46 - EWDD				
Fringe Benefits	-	13,719	7,499	21,218
Central Services	-	3,051	1,662	4,713
	-	16,770	9,161	25,931
TOTAL EWDD DEPT GASP	-	59,286	30,919	90,206

TOTAL (Direct + Department GASP)

This is a sum of the above two tables.

	<u>YSCs</u>	<u>Program</u>	<u>Admin</u>	<u>Total</u>
1010 - Salaries, General	-	189,035	83,849	272,884
1070 - Salaries, As Needed	-	1,036	439	1,476
1090 - Overtime General	-	1,275	540	1,816
2120 - Printing and Binding	-	23	10	33
2130 - Travel	-	48	20	68
3040 - Contractual Services	-	3,451	1,462	4,913
3310 - Transportation	-	4	2	6
3340 - Water and Electricity	-	-	-	-
6010 - Office and Admin	-	4,813	2,040	6,853
6020 - Operating Supplies	-	5	2	7
6030 - Leasing	-	6,799	3,021	9,820
	-	206,490	91,385	297,875
Related Costs at CAP 46 - EWDD				
Fringe Benefits	-	85,226	37,802	123,028
Central Services	-	18,717	8,301	27,018
	-	103,943	46,103	150,046
TOTAL EWDD DEPT GASP	-	310,433	137,488	447,921

Service Providers, Supporting Program Activities, or other non-Departmental Special Funds

		<u>Program</u>	<u>Admin</u>	<u>Total</u>
				-
				-
				-
				-
Total:	-	-	-	-

City Attorney

	<u>Admin</u>	<u>Total</u>
Salaries	10,436	10,436
Related Costs at CAP 46 - City Atty	5,299	5,299
Total:	-	15,735

Personnel Department

	<u>Admin</u>	<u>Total</u>
Salaries	6,913	6,913
Related Costs at CAP 46 - Personnel	4,531	4,531
Total:	-	11,443

Total Service Provider + YSC	-		
Total Admin		164,666	
Total City Program Share	310,433		
Total "City" Share		475,099	

**FY 2024-2025
CRA/LA Excess Bonds (57D)
Projected Direct Full Time Equivalents**

CAO - BOC FY 2024-2025 PROJECTIONS July 1, 2024 - June 30, 2025			
Classification	Estimated Direct Costs	Estimated Indirect Costs	FTE
Principal Project Coordinator	138,520	138,104	1.00
Total CAO Reimbursement	138,520	138,104	1.00

EWDD - BOC FY 2024-2025 PROJECTIONS July 1, 2023 - June 30, 2024							
No.	Classification	Program		Admin		Subtotal	
		FTE	Salary	FTE	Salary	FTE	Salary
EDD	Direct Salary FTEs:						
1	Industrial and Commercial Finance Officer I	1.00	145,594			1.00	145,594
EDD	Subtotal Direct + Division GASP	1.00	145,594	-	-	1.00	145,594
FMD	Direct Salary FTEs:						
1	Management Analyst			0.50	37,302	0.50	37,302
2	Accounting Clerk			0.20	16,180	0.20	16,180
3	Principal Accountant II			0.10	10,004	0.10	10,004
FMD	Subtotal Direct + Division GASP	-	-	0.80	63,486	0.80	63,486
Total for EWDD		1.00	145,594	0.80	63,486	1.80	209,081

Report ID:

Run Date: 7/13/24

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CITY OF LOS ANGELES

APPROVED BUDGET

BUDGET FOR FISCAL YEAR 2024 - 2025

ATTACHMENT 3

DEPARTMENT: 22 - Economic and Workforce Development Department

100 - General Fund (General Budget)

FUND	APPR	APPR NAME	APPR TYPE	AMOUNT
100	001010	SALARIES GENERAL	01	18,184,883
100	001070	SALARIES AS NEEDED	01	378,379
100	001090	OVERTIME GENERAL	01	67,595
100	002120	PRINTING AND BINDING	01	21,940
100	002130	TRAVEL	01	2,924
100	003040	CONTRACTUAL SERVICES	01	5,411,729
100	003310	TRANSPORTATION	01	11,946
100	003340	WATER AND ELECTRICITY	01	5,000
100	006010	OFFICE AND ADMINISTRATIVE	01	225,609
100	006020	OPERATING SUPPLIES	01	121,826
100	006030	LEASING	01	1,286,241
FUND TOTAL - 100				25,718,072

56E - LA COUNTY YOUTH JOB PROGRAM

FUND	APPR	APPR NAME	APPR TYPE	AMOUNT
56E	22A122	Economic and Workforce Development	02	554,081
56E	22A299	Reimbursement of General Fund Costs	02	241,419
FUND TOTAL - 56E				795,500

57D - CRA/LA EXCESS NON-HOUSING BOND PROCEEDS

FUND	APPR	APPR NAME	APPR TYPE	AMOUNT
57D	22A110	City Administrative Officer	02	138,520
57D	22A122	Economic and Workforce Development	02	540,578
57D	22A299	Reimbursement of General Fund Costs	02	406,219
FUND TOTAL - 57D				1,085,317