

0111-31341-0194

**T R A N S M I T T A L**

TO City Council	DATE 04-13-23	COUNCIL FILE NO. 14-1174-SXX
FROM CRA/LA Bond Oversight Committee	COUNCIL DISTRICT All except 5 and 11	

On March 30, 2023, the CRA/LA Bond Oversight Committee (CRA/LA BOC), considered and approved in substance and form, an unsigned report dated March 29, 2023, from the Economic and Workforce Development Department (EWDD). On April 4, 2023, the official signed report was sent to the Office of the City Administrative Officer (CAO), which is hereby transmitted for Council consideration.

Adoption of the report recommendations would allocate up to \$559,766 in CRA/LA Excess Non-Housing Bond Proceeds from all CRA/LA Redevelopment Project Areas to cover budgeted FY 2022-23 staffing costs for the EWDD, CAO, City Attorney, and Personnel to administer and manage the CRA/LA Excess Non-Housing Bond Program.

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

MWZ: YC/IR-nsh 15230079

CAROLYN M. HULL  
GENERAL MANAGER

# City of Los Angeles

CALIFORNIA



KAREN BASS  
MAYOR

**ECONOMIC AND WORKFORCE  
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET  
LOS ANGELES, CA 90017

March 29, 2023

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

CRA/LA Bond Oversight Committee  
c/o Ida Rubio  
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 \$559,766 IN CRA/LA EXCESS NON-HOUSING TAXABLE BOND PROCEEDS FROM ALL CRA/LA REDEVELOPMENT PROJECT AREAS TO COVER THE 2022-2023 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) 2022-2023 BOC staffing budget of \$559,766 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 \$370,455 for direct and related staffing costs to administer the EBP program (Program) using taxable EBP from each Project Area into the account(s) 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 \$189,311 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 into the account(s) 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:				
22N122	Economic and Workforce Development	0	(233,393.00)	(233,393.00)
22N299	Reimbursement of General Fund Costs - EWDD	0	(114,259.00)	(114,259.00)
22R112	City Attorney	0	(5,422.17)	(5,422.17)
22S112	City Attorney	0	(1,467.67)	(1,467.67)
22T112	City Attorney	0	(3,110.16)	(3,110.16)
22P292	Related Cost – City Attorney	0	(2,445.53)	(2,445.53)
22R299	Reimbursement of General Fund Costs – City Attorney	0	(3,516.47)	(3,516.47)
22R166	Personnel	0	(1,074.57)	(1,074.57)
22T166	Personnel	0	(3,498.43)	(3,498.43)
22P299	Related Costs - Personnel	0	(2,268.00)	(2,268.00)
22L9AT	Adelante Eastside	0	(4,870.00)	(4,870.00)
22L9BT	Beacon Street	0	(286.00)	(286.00)
22L9CT	Broadway/Manchester	0	(922.00)	(922.00)
22L9DT	Crenshaw/Slauson	0	(4,078.00)	(4,078.00)
22L9ET	East Hollywood/Beverly-Normandie	0	(6,727.00)	(6,727.00)
22L9FT	Hollywood	0	(3,753.00)	(3,753.00)
22L9GT	Hoover	0	(351.00)	(351.00)
22L9HT	Laurel Canyon	0	(2,974.00)	(2,974.00)
22L9IT	Monterey Hills	0	(130.00)	(130.00)
22L9JT	Normandie 5	0	(3,883.00)	(3,883.00)



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

Account	Title	Amount
001010	Salaries General	10,000

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

Account	Title	Amount
22W166	Personnel	4,573
22W299	Reimbursement of General Fund Costs	2,268
	<b>Total</b>	<b>6,841</b>

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

Account	Title	Amount
001010	Salaries General	4,573

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

*\* Adopted Budget for CAO Direct Salaries \$129,861*

Account	Title	Amount
22W399	Reimbursement of General Fund Costs	59,450

7. AUTHORIZE the Controller to revert the unspent staffing appropriations from prior fiscal years 2014-2015 through 2021-2022 back into Fund 57D;
8. 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;
9. 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
10. 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 2022-2023 BOC staffing budget of up to \$559,766 representing \$189,311 for CAO, and \$370,455 for EWDD, 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 the administration of the Program. This report provides an accounting of the staffing and funding needs to fulfill these duties during FY 2022-2023.

## **BACKGROUND**

The City received an original \$84,071,895 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 31, 2022, are \$7,471,507 bringing the aggregate principal and interest EBP total to \$95,871,859.

### Staffing Budget

The BEA allows for 16%, or \$7,616,656, 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 \$7,338,756. 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 \$75,382, bringing the available administrative allowance to \$7,414,138. 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 \$7,307,402. Through Council action on September 6, 2019 (C. F. 14-1174-S88), interest income has been allocated to staffing administration and 35 projects where applicable. Through September 31, 2022, the Office of the City Administrative Officer (CAO) and EWDD have expended \$5,395,589 for staffing charges and planning activities over almost 8 fiscal years. The current remaining balance is \$1,911,813. Approval of the FY 2022-23 budget will reduce the administrative set-aside to approximately \$1.3 million to cover staffing costs through EBP program closeout in 2025.

The proposed FY 2022-2023 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, adjust staffing level as necessary, and explore the possibility of accessing all

currently available plus future earned and unspent EBP and interest from all Project Areas in order to adequately manage Program through close out in 2025.

The Mayor's Adopted Budget (C.F. 22-0600) includes \$129,861 for CAO Direct Salaries, \$501,161 for EWDD Direct Salaries, and \$284,397 for Reimbursement of General Fund Costs (Attachment C) to administer the program. The Mayor's FY 2022-2023 Adopted Budget of \$915,419 for BOC staffing yields a projected direct and indirect cost savings of \$355,653 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 44% Indirect during FY 2022-2023 at a total cost of \$189,311. 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 1.55 FTE employees will be dedicated to EBP administration during FY 2022-2023. The work for FY 2022-2023 is performed by a Management Analyst (100%). Additional support staff totaling 55% 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 2022-2023 at a total cost of \$370,455. 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 the 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 the commercial corridor 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*  
Carolyn Hull (Apr 3, 2023 19:29 PDT)

CAROLYN M. HULL  
General Manager

CMH:FJ:DH:JL:JML

Attachment A: FY 2022-23 EWDD CRA/LA Projected Expenditures – SUMMARY

B: FY 2022-2023 CRA/LA Excess Bonds (57D) Projected Direct  
Full Time Equivalentents

C: City of Los Angeles Approved Budget – Budget for Fiscal Year 2022-  
2023 Department 22 Fund 57

**FY 2022-23 EWDD  
CRA/LA Excess Bonds Proceeds  
Projected Expenditures - SUMMARY**

**EWDD FUND 100:**

Account Number	Account Description	City-Managed YSC Program	Program	Admin	Direct Subtotal
	ASD Direct Salaries			-	-
	ASD Div GASP Salaries			-	-
	EDD Direct Salaries		96,752		96,752
	EDD Div GASP Salaries		9,030		9,030
	WDD Direct Salaries	-	-	-	-
	WDD Div GASP Salaries	-	-	-	-
	FMD Direct Salaries			52,948	52,948
	FMD Div GASP Salaries			2,710	2,710
1010	Salaries, General Subtotal:	-	105,782	55,659	161,441
1070	Salaries, As_Needed	-	-	-	-
1090	Salaries, Overtime	-	-	-	-
2120	Printing and Binding	-	-	-	-
2130	Travel	-	-	-	-
3040	Contractual Services	-	-	-	-
3310	Transportation	-	-	-	-
3340	Utilities	-	-	-	-
6010	Office and Admin	-	-	-	-
6020	Operating Supplies	-	-	-	-
6030	Lease	-	16,134	8,983	25,117
	<b>Subtotal:</b>	-	16,134	8,983	25,117
<b>CAP:</b>	<b>44</b>				
45.88%	Fringe - Salaries, General	-	48,533	25,536	74,069
4.83%	Fringe - Salaries, As Needed	-	-	-	-
13.62%	Central Svs - Salaries, General	-	14,408	7,581	21,988
0.77%	Central Svs - Salaries, As-Needed	-	-	-	-
	<b>Subtotal:</b>	-	62,940	33,117	96,057
	<b>SUBTOTAL DIRECT EXPENDITURES:</b>	-	184,856	97,758	282,615

Account Number	Account Description	City-Managed YSC Program	Program	Admin	Dept GASP Subtotal
1010	Salaries, General	-	18,385	12,097	30,482
1070	Salaries, As_Needed	-	756	398	1,154
1090	Salaries, Overtime	-	26	14	39
2120	Printing and Binding	-	17	9	25
2130	Travel	-	35	18	53
3040	Contractual Services	-	2,849	1,499	4,348
3310	Transportation	-	3	2	5
3340	Utilities	-	-	-	-
6010	Office and Admin	-	2,422	1,274	3,697
6020	Operating Supplies	-	3	2	5
6030	Lease	-	4,604	2,423	7,027
	<b>Subtotal:</b>	-	9,933	5,227	15,160
45.88%	Fringe - Salaries, General	-	8,435	5,550	13,985
4.83%	Fringe - Salaries, As Needed	-	37	19	56
13.62%	Central Svs - Salaries, General	-	2,504	1,648	4,152
0.77%	Central Svs - Salaries, As-Needed	-	6	3	9
	<b>Subtotal:</b>	-	10,982	7,220	18,202
	<b>SUBTOTAL GASP EXPENDITURES:</b>	-	40,082	24,955	65,037

**ATTACHMENT A**

Account Number	Account Description	PROJECTED CITY-MANAGED YSC CONTRACTOR COST	PROJECTED PROGRAM COST	PROJECTED ADMIN COST	GRAND TOTAL COST
1010	Salaries, General	-	124,167	67,756	<b>191,923</b>
1070	Salaries, As_Needed	-	756	398	<b>1,154</b>
1090	Salaries, Overtime	-	26	14	<b>39</b>
2120	Printing and Binding	-	17	9	<b>25</b>
2130	Travel	-	35	18	<b>53</b>
3040	Contractual Services	-	2,849	1,499	<b>4,348</b>
3310	Transportation	-	3	2	<b>5</b>
3340	Utilities	-	-	-	<b>-</b>
6010	Office and Admin	-	2,422	1,274	<b>3,697</b>
6020	Operating Supplies	-	3	2	<b>5</b>
6030	Lease	-	20,738	11,405	<b>32,144</b>
	<b>Subtotal:</b>	<b>-</b>	<b>26,067</b>	<b>14,209</b>	<b>40,276</b>
45.88%	Fringe - Salaries, General	-	56,968	31,086	<b>88,054</b>
4.83%	Fringe - Salaries, As Needed	-	37	19	<b>56</b>
13.62%	Central Svs - Salaries, General	-	16,912	9,228	<b>26,140</b>
0.77%	Central Svs - Salaries, As-Needed	-	6	3	<b>9</b>
	<b>Subtotal:</b>	<b>-</b>	<b>73,922</b>	<b>40,337</b>	<b>114,259</b>
<b>EWDD TOTAL (DIRECT + GASP):</b>		<b>-</b>	<b>224,939</b>	<b>122,713</b>	<b>347,652</b>
<b>CITY ATTORNEY FUND 100:</b>					
43.47%	Salaries			10,000	10,000
16.15%	Related Costs:	-	-	5,962	5,962
	<b>CITY ATTORNEY TOTAL:</b>	<b>-</b>	<b>-</b>	<b>15,962</b>	<b>15,962</b>
<b>PERSONNEL DEPARTMENT FUND 100:</b>					
48.33%	Salaries			4,573	4,573
1.27%	Related Costs:	-	-	2,268	2,268
	<b>PERSONNEL DEPARTMENT TOTAL:</b>	<b>-</b>	<b>-</b>	<b>6,841</b>	<b>6,841</b>
<b>SERVICE PROVIDERS/SUPPORTING PROGRAM ACTIVITIES SPECIAL FUND:</b>					
	Service Providers (TBD)	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<b>SPECIAL FUND TOTAL:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (FUND 100 + SPECIAL FUND):</b>		<b>-</b>	<b>224,939</b>	<b>145,516</b>	<b>370,455</b>

**FY 2022-2023  
CRA/LA Excess Bonds (57D)  
Projected Direct Full Time Equivalents**

<b>CAO - BOC FY 2022-2023 PROJECTIONS</b> July 1, 2022 - June 30, 2023			
Class	Estimated Direct Costs	Estimated Indirect Costs	FTE
Principal Project Coordinator	\$ 129,861.00	\$ 59,450.00	1.00
<b>Total CAO Reimbursement</b>	<b>\$ 129,861.00</b>	<b>\$ 59,450.00</b>	<b>1.00</b>

<b>EWDD - BOC FY 2022-2023 PROJECTIONS</b> July 1, 2022 - June 30, 2023								
No.	EWDD Position Number	Classification	Program		Admin		Subtotal	
			FTE	Salary	FTE	Salary	FTE	Salary
<b>EDD</b>		<b>Direct Salary FTEs:</b>						
1	R 2056	Management Analyst			1.00	96,752	1.00	96,752
<b>EDD</b>		<b>Subtotal Direct + Division GASP:</b>	-	-	<b>1.00</b>	<b>96,752.44</b>	<b>1.00</b>	<b>96,752.44</b>
<b>FMD</b>		<b>Direct Salary FTEs:</b>						
1	R 2068	Management Analyst			0.25	24,188	0.25	24,188
2	R 1915	Accounting Clerk			0.20	15,893	0.20	15,893
3	R 1129	Principal Accountant II			0.10	12,868	0.10	12,868
<b>FMD</b>		<b>Subtotal Direct + Division GASP:</b>	-	-	<b>0.55</b>	<b>52,948</b>	<b>0.55</b>	<b>52,948</b>
<b>Total For EWDD</b>			-	-	-	-	<b>1.55</b>	<b>149,701</b>

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**CITY OF LOS ANGELES  
 APPROVED BUDGET  
 BUDGET FOR FISCAL YEAR 2022 - 2023**

**ATTACHMENT C**

**DEPARTMENT:** 22 - Economic and Workforce Development Department

100 - General Fund (General Budget)

FUND	APPR	APPR NAME	APPR TYPE	AMOUNT
100	001010	SALARIES GENERAL	01	15,588,453
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	8,590,651
100	003310	TRANSPORTATION	01	11,946
100	003340	WATER AND ELECTRICITY	01	5,000
100	006010	OFFICE AND ADMINISTRATIVE	01	280,267
100	006020	OPERATING SUPPLIES	01	121,826
100	006030	LEASING	01	1,286,241
FUND TOTAL - 100				26,355,222

56E - LA COUNTY YOUTH JOB PROGRAM

FUND	APPR	APPR NAME	APPR TYPE	AMOUNT
56E	22W122	Economic and Workforce Development	02	529,541
56E	22W299	Reimbursement of General Fund Costs	02	344,694
FUND TOTAL - 56E				874,235

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

FUND	APPR	APPR NAME	APPR TYPE	AMOUNT
57D	22W110	City Administrative Officer	02	129,861
57D	22W122	Economic and Workforce Development	02	501,161
57D	22W299	Reimbursement of General Fund Costs	02	284,397
FUND TOTAL - 57D				915,419