

EXEMPTION and ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE REPORT relative to allocating up to \$559,766 in Community Redevelopment Agency Los Angeles (CRA/LA) excess non-housing taxable bond proceeds from all CRA/LA redevelopment project areas to cover 2022-23 staffing costs.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

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) 2022-23 Bond Oversight Committee (BOC) staffing budget of \$559,766 for the City Administrative Officer (CAO), City Attorney, Personnel Department, and Economic and Workforce Development Department (EWDD) to manage the EBP Program as detailed in Attachments A, B, and C of the April 13, 2023 BOC report, attached to the Council File.
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 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), attached to the Council File. for the following departments:
 - a. EWDD
 - b. City Attorney
 - c. Personnel Department
5. ALLOCATE up to \$189,311 for the 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 No. 570 as follows:

Account	Title	Amount	Amount	Total
		From 1% Reporting	From 15% Staff/Admin	
From:				

Account	Title	Amount From 1% Reporting	Amount From 15% Staff/Admin	Total
22N122	Economic and Workforce Development	0	(\$233,393.00)	(\$233,393.00)
22N299	Reimbursement of General Fund Costs	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	(3,110.06)	(3,110.06)
22P292	Related Cost- City Attorney	0	(2,44.53)	(2,44.53)
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)
22L9LT	Pacific Corridor	0	(117.00)	(117.00)
22L9MT	Pacoima/Panorama City	0	(7,324.00)	(7,324.00)
22L9NT	Pico Union 1	0	(1,325.00)	(1,325.00)
22L9OT	Pico Union 2	0	(9,363.00)	(9,363.00)
22L9PT	Reseda/Canoga Park	0	(41,685.00)	(41,686.00)
22L9QT	Watts	0	(480.00)	(480.00)
22L9RT	Western/Slauson	0	(2,130.00)	(2,130.00)
22L9ST	Westlake	0	(13,285.00)	(13,285.00)
22L9TT	Wilshire Center/Koreatown	0	(26,178.00)	(26,178.00)
22M399	Related Cost- CAO	0	(32,597.00)	(32,597.00)
22N399	Related Cost- CAO	0	(15,774.17)	(15,774.17)
22R399	Related Cost- CAO	0	<u>(11,078.83)</u>	<u>(11,078.83)</u>
TOTAL:		0	(\$559,766.00)	(\$559,766.00)

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

Account	Title	Amount
22W112	Economic and Workforce Development Department	(\$267,768)
22W299	Reimbursement of General Fund Costs	<u>(161,908)</u>
Total:		(\$429,676)

- c. Increase (Decrease) appropriations within Fund No. 100/22 as follows:

Account	Title	Amount
1010	Salaries General	(\$309,238)
1070	Salaries, As-Needed	1,1154
1090	Overtime General	39
2120	Printing and Binding	25
2130	Travel	53
3040	Contractual Services	4,348
3310	Transportation	5
6010	Office and Administrative	3,697
6020	Operating Supplies	5
6030	Leasing	<u>32,144</u>
Total:		(\$267,768)

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

Account	Title	Amount
22W112	City Attorney	\$10,000
22W299	Reimbursement of General Fund Costs	<u>5,962</u>
Total:		\$15,962

- e. Increase appropriations within Fund No. 100/12 as follows:

Account	Title	Amount
1010	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	<u>2,268</u>
Total:		\$6,841

- g. Increase appropriations within Fund No. 100/66 as follows:

Account	Title	Amount
1010	Salaries General	\$4,573

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

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

7. AUTHORIZE the Controller to:

- a. Revert the unspent staffing appropriations from prior FYs 2014-15 through 2021-22 back into Fund No. 57D.
- b. Revert unspent balances from future BOC staffing appropriations that have excess funds available back into Fund No. 57D, upon the request of the General Manager, EWDD.

8. AUTHORIZE the General Manager, EWDD, or designee, to:

- a. Make any corrections or clarifications to this report as necessary to effectuate the intent of this action.
- a. 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.

Fiscal Impact Statement: The CRA/LA Bond Oversight Committee (CRA/LA BOC) reports that adoption of the recommendations contained in the April 13, 2023 CRA/LA BOC report, attached to the Council File, 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.

Community Impact Statement: None submitted.

Summary:

On June 7, 2023, your Committee considered an April 13, 2023 BOC report relative to allocating up to \$559,766 in Community Redevelopment Agency Los Angeles (CRA/LA) excess non-housing taxable bond proceeds from all CRA/LA redevelopment project areas to cover 2022-23 staffing costs. According to the BOC, the City received an original \$84,071,895 ESP on February 2, 2015 consisting of \$43,686,542 in taxable, and \$40,385,353 in tax-exempt ESP. Subsequently, Council authorized the receipt of two Recognized Obligations Payment Schedule (ROPS) transfers totaling \$4,328,457 during FYs 2017-18 and 2019-20 as part of the final disbursement on pre-2011 CRA/LA bond issuances.

The aggregate ESP 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. ESP interest earnings as of September 31, 2022, are \$7,471,507 bringing the aggregate principal and interest EBP total to \$95,871,859. The SEA allows for 16%, or \$7,616,656, of all taxable EBP/ROPS received plus interest earned to be used over ten 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 (Council File No. 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 percent administrative account (Council File No. 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 percent 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 (Council File No. 14-1174-S88), interest income has been allocated to staffing administration and 35 projects where applicable.

Through September 31, 2022, the CAO and EWDD have expended \$5,395,589 for staffing charges and planning activities over almost eight FYs. 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 ESP program closeout in 2025. The proposed FY 2022-23 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. After consideration and having provided an opportunity for public comment, the Committee

moved to recommend approval of the recommendations contained in the BOC report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic and Community Development Committee

COUNCILMEMBER	VOTE
PRICE:	YES
SOTO-MARTINEZ:	YES
PARK:	YES

ARL

6/7/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-