

MEMORANDUM

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DATE: DECEMBER 16, 2010 HW2991
TO: CRA/LA BOARD OF COMMISSIONERS
FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER
STAFF: LESLIE LAMBERT, REGIONAL ADMINISTRATOR
NEELURA BELL, PROJECT MANAGER

SUBJECT: **Hollywood Beautification Team Bioswale.** Adopt findings authorizing the execution of a contract with and the provision of up to \$20,000 to Hollywood Beautification Team to construct a City-owned bioswale as part of the offsite improvements relating to the development of Hollywood Beautification Team's new headquarters facility at 1737 North Cherokee Avenue in the Hollywood Redevelopment Project Area.

HOLLYWOOD & CENTRAL REGION (CD 13)

RECOMMENDATION(S)

That the CRA/LA Board of Commissioners, take the following action(s):

1. Adopt, and request that the City Council adopt, a Joint Resolution pursuant to Sections 33445 and 33421.1 of the Health and Safety Code finding that the provision of up to \$20,000 consisting of \$14,000 in AB 1290 funds and \$6,000 in Tax Increment Funds in Budget Line Item Public Improvements for the construction of a City-owned bioswale as part of the offsite improvements in connection with the development of Hollywood Beautification Team's new headquarter facility: (i) is of benefit to the Hollywood Redevelopment Project Area by helping to eliminate blight within that project area, (ii) is the only reasonably available means of financing the public improvements, (iii) is consistent with the adopted implementation plan for that project area, and (iv) is necessary to effectuate the purposes of the Hollywood Redevelopment Plan.

And, that the CRA/LA Board of Commissioners, subject to City Council approval:

2. Authorize the Chief Executive Officer or designee to execute and take any action necessary to carry out a Funding Agreement providing up to \$20,000 to Hollywood Beautification Team for the construction of a City-owned bioswale that is part of the development of Hollywood Beautification Team's new headquarter facility located at 1737 North Cherokee Avenue in the Hollywood Redevelopment Project Area.

SUMMARY

The Hollywood Beautification Team (HBT) is nearing the completion of the construction of its new headquarters facility which has included the incorporation of sustainable building practices. One of the offsite elements is the installation of a bioswale in the parkway area fronting the building. The bioswale will be a City-owned improvement and will serve the water recapturing needs of HBT's site and also storm runoff that flows down Cherokee Avenue that has typically gone into the drains at the corner of Hollywood Boulevard. It has been designated a "Green Streets" project by the City of Los Angeles' Department of Public Works which will assist in

obtaining the permit and performing construction oversight. The system has been designed by Alice Gong, Watershed Management Engineer of the City's Bureau of Engineering.

DISCUSSION & BACKGROUND

Location

The property is located at 1737 North Cherokee Avenue in the Hollywood Redevelopment Project area. HBT owns the site and has recently completed the construction of a 4,000 square feet building on the 18,000 square feet lot.

Developer Entity

HBT was formed in 1992 as a local non-profit organization by neighborhood volunteers, who implement various kinds of community based projects in order to build healthy, cleaner neighborhoods and schools. A key component of the organization's operations has included providing educational workshops and vocational training for at-risk youth. Under the leadership of Ms. Sharyn Romano, President, HBT has been responsible for adopting over 120 public schools, hiring 2,500 youth, creating 250 wall murals, and providing instructions in arts or environmental issues that mentored over 31,000 children in interactive tree planting, arts and graffiti, and litter removal and maintenance of streets, storm drains, and alleys throughout the Project Area. HBT is also a leader in the Mayor's Million Trees Initiative and has planted over 2,000 trees. HBT works with various communities improving school campuses, courts, neighborhood and business districts, HBT is a grassroots organization committed to develop and implement educational opportunities which create cost efficient green elements with community engagement. The Clean, Safe, Job Training and Beautification Program is designed to remove blighting influences to enhance the aesthetics of the Hollywood community, to encourage new investment and to improve the quality of life for the community.

Selection Process

HBT and Council District 4 staff approached CRA/LA directly for funding of this project.

Description and Project Context

The bioswales component of the project involves removing the existing sidewalk, installing the required fill, planting plants and installing the new curbs and partial sidewalk. Since the scope of work is within the purview of HBT's technical expertise, the company prefers to perform this work itself rather than hire another contractor. Additionally, by doing the work itself, the project offers yet another opportunity to enable HBT to hire and train local youth. This project is the focus of their Youth Employment Program that they will be implementing in collaboration with the Community Development Department (CDD). Some of the labor costs for the project will be covered with a matching grant from the Youth Employment Program. It is a pilot "green" program that CDD and HBT intend to use as a model for the City's application for federal grants. Expanding upon HBT's history of working with at risk youth since 1993, with this new effort, the organization will have the opportunity to provide the youth with new skills in an emerging industry. Through their participation in the implementation of this project, the youth will learn about the environmental benefits of water capture systems and receive hands on experience in the field work.

HBT's expertise and experience to perform the work includes holding a State License as a Landscape Contractor (3743488) and having served as a contractor for the Department of Public Works since 1995. Over this time period, the organization has cut, removed and installed sidewalks, curbs, and tree wells. Other experience includes installation of irrigation systems,

plants, trees, medians, hardscape and street furniture. Some masonry skills will be required as part of the contract for which HBT will sub-contract.

Community Benefits

The applicable CRA/LA policy which applies to this project is Prevailing Wages for the bioswale component only. Due to the small amount of CRA/LA's funding, all other policies are not applicable.

Other community benefits from the project will include the installation of the system that will improve water capture that runs off along the entire west side of the street. Local residents and at-risk youth will also benefit from the job training opportunity.

Findings

California Health and Safety Code Sections 33445 and 33421.1 permit a redevelopment agency to use redevelopment funds to construct and install required offsite public improvements if certain findings can be made, which findings are summarized here and set forth in the proposed Joint Resolution attached hereto as Attachment B - Resolution.

- Finding 1: 33445(a) (1) The improvements must be of benefit to the funding Project Area by helping to eliminate blight in the project area. Section 401.1 of the Hollywood Project Area Redevelopment Plan states "The Agency proposes to eliminate and prevent the spread of blight and blighting influences, and to strengthen the economic base of the Project Area and the community by: Installation, construction, or re-construction of streets, utilities and other public facilities and improvements." The installation of the bioswale in conjunction with the building of HBT's new headquarters will benefit the Project Area in that it will help to eliminate blight through improving the quality of the environment by coordinating the provision of high quality public improvements and installing, constructing or re-constructing streets, utilities and other public facilities and improvements. In addition to serving the specific water recycling goals for HBT's facility, the bioswale will also mitigate a long-time problem of rain water overflow from the higher grade on Cherokee Avenue on to Hollywood Boulevard.
- Finding 2: 33445(a) (2) There is no other reasonable means of financing the public improvements. The proposed CRA/LA funds are the only funds available for the construction and the monitoring of construction of the subject public improvements. Although the City balanced its budget in FY2010-2011, it will face a budget gap of an estimated \$318.5 million in FY2011-2012, with potentially larger gaps occurring in subsequent years. The City is addressing the current City budget shortfall by both reducing the funds allocated for and delaying the implementation of public infrastructure projects. The City does not have additional funds to either authorize or appropriate General Funds or grant funds for this type of public improvement. HBT, a small non-profit organization, also does not have the resources available for the construction of the bioswale. It was not an original feature of the project for which grant and public funding resources had already been raised. However, during the inspection of the project by a

city engineer, it was highly recommended that instead of the project meeting the City's old and waning requirements, better long-term environmental impacts could be achieved by the installation of a bioswale. HBT did not have sufficient contingency funds to pay for this additional cost. The CRA/LA has designated the use of AB1290 and tax increment funds to undertake public improvement projects in conjunction with the development of projects by other entities.

Finding 3: 33445(a) (3) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan. The Hollywood Redevelopment Plan identifies inadequate public improvements as blighting conditions. Section C.5.f of the Implementation states as a goal: "Improve the quality of the environment, promote a positive image for Hollywood, and provide a safe environment through mechanisms such as: coordinating the provision of high quality public improvements. As new projects such as HBT's new headquarters are designed and developed incorporating sustainable features and practices, new public improvement infrastructure must be provided to accommodate and make them fully useable.

Finding 4: Section 33421.1 The provision of the bioswale improvements is necessary to effectuate the purposes of the redevelopment plan. Section 401.1 of the Redevelopment Plan calls for the installation of public improvements, and Section C.5.f of the Implementation Plan has a goal to coordinate the provision of high quality public improvements. CRA/LA's financial support of the bioswale will address the stated purpose of the Redevelopment Plan and specific activity of the Implementation Plan.

Financial Analysis

CRA/LA will only be funding the construction of the bioswales portion of the project. The City Council initially directed the use of \$14,000 in AB1290 funds for this purpose. However, prevailing wage requirements and a more recent bid estimate raise the projected costs to \$18,383.90. CRA/LA staff is recommending funding approval of up to \$20,000 to include a small contingency of 8%. The additional funds will come from tax increment funds.

SOURCE OF FUNDS

AB 1290 Funds(\$14,000) and Tax Increment Funds (\$6,000).

PROGRAM AND BUDGET IMPACT

This action is consistent with the adopted FY2011 Budget and Work Program relating to the Hollywood Redevelopment Project Area. Following the approval of this Project, \$15,621,074 of \$16,136,900 for Public Improvements will remain in the budget. Sufficient funds exist to make any legally-required State ERAF payments in FY11. There is no impact on the City's General Fund.

As part of the City's approved FY2009-10 Proposed Budget, Council revised the AB1290 policy to transfer the City's share of FY2009-10 and future AB1290 funds to the City's General Fund

less “Commitments” and “Planned Uses.” For the purposes of this revised policy, this proposed project would be tracked as a “planned use” and thus would be an eligible AB1290 funded project. The council office submitted correspondence requesting the use of AB 1290 funds for this purpose. (See Attachment D – LaBonge/Garcetti AB1290 Letter.)

ENVIRONMENTAL REVIEW

The recommended actions together with the construction of the Bioswale, are categorically exempt from the California Environmental Quality Act (CEQA), pursuant to Sections 15304 and 15311 of the State and CRA/LA CEQA Guidelines.

AUTHORITY GRANTED TO CEO OR DESIGNEE

If the funding agreement is approved, the CRA/LA Chief Executive Officer or designee would be authorized to take such actions as may be necessary to issue a contract to construct the bioswale.

Christine Essel
Chief Executive Officer

By:

Calvin E. Hollis, Chief Operating Officer
Real Estate and Economic Development

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENTS

Attachment A: Location Site Map, Renderings and Pictures
Attachment B: Resolution
Attachment C: AB1290 Council Letter