

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

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DATE: JULY 19, 2012 AD0000
TO: GOVERNING BOARD ROPS #0689, 1050, 1249
FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER
STAFF: MARGARITA H. DE ESCONTRIAS, SENIOR OPERATIONS OFFICER
DORA HUERTA, ACTING SPECIAL ASSISTANT TO COO
NICK SAPONARA, ACTING SPECIAL ASSISTANT TO CFO
SUBJECT: **TRANSFER OF SUN VALLEY EDA PUBLIC IMPROVEMENTS GRANT WITH MATCHING FUNDS.** Negotiate and execute agreements and documents to transfer \$3,165,771 in awarded Economic Development Administration grant funds requiring matching AB 1290 funds in an amount up to \$832,418 and related consultant contract to the City of Los Angeles Bureau of Engineering. (SD3; CD6)

RECOMMENDATION(S)

That the Governing Board, subject to Oversight Board approval, take the following actions:

1. Approve and authorize the Chief Executive Officer (CEO) or designee to negotiate and execute an assignment agreement or agreements or similar documents with the City of Los Angeles to effectuate the transfer of \$3,165,771 in awarded Economic Development Administration grant funds ("Grant Award") for the Sun Valley Public Improvements Project to the City of Los Angeles Bureau of Engineering; and
2. Approve and authorize the CEO or designee to negotiate and execute agreements with the City of Los Angeles Bureau of Engineering to fund the outstanding commitment in an amount up to \$832,418 to be paid from encumbered City AB 1290 funds; and
3. Approve and authorize the CEO or designee to execute an assignment agreement or similar document to effectuate the assignment of the KOA Corporation, Inc. contract for the subject project from CRA/LA to the City of Los Angeles Bureau of Engineering.

SUMMARY

On August 5, 2010, the CRA/LA Board of Commissioners of the Community Redevelopment Agency of the City of Los Angeles ("Former Agency") ratified the City Council action to accept a grant award from the U.S. Department of Commerce, Economic Development Administration ("EDA") and recognize the EDA funds and CRA/LA's matching contribution. The \$3,165,771 EDA grant and the required matching CRA/LA contribution of \$1,055,257 (25%) in City AB 1290 funds were secured to fund the Sun Valley EDA Public Improvements Project ("Project"), with a total cost of \$4,221,028.

The purpose of the Project is to repair and improve existing transportation corridors and intersections for improved emergency traffic flow and create an engaging, efficient, and pedestrian-friendly streetscape. Proposed improvements include: cold planing asphalt pavement and overlay, replacing concrete pavement with asphalt pavement, striping, replacing or constructing new sidewalk, curbs and gutters, upgrading bus pads, access ramps, lighted street name signs and improving drainage conditions at the intersections.

The improvements are located within Council District 6 and Supervisorial District 3 on the following street: (1) San Fernando Road, from Kagel Canyon Street to Allegheny Street (8,600 linear feet) and (2) Sheldon Street, from Telfair Avenue to Glenoaks Boulevard (3,700 linear feet). The intersections to be improved include: (1) Branford Street and Laurel Canyon Boulevard; (2) Branford Street and San Fernando Road; (3) Branford Street and Glenoaks Boulevard; (4) Sheldon Street and San Fernando Road; and (5) Sheldon Street and Glenoaks Boulevard (Attachment A – Location Map).

Due to the dissolution of the Former Agency and the need to expeditiously wind down activities of the Successor Agency, CRA/LA staff proposes preserving the external resources made available to the City and County of Los Angeles by assigning the grant to the City of Los Angeles Bureau of Engineering (BOE).

In addition to assigning the EDA Grant Award to BOE, approval of the Governing Board and Oversight Board to fund the match is also requested. BOE has agreed to implement this project subject to the provision of funds as indicated in the letter included as Attachment B. Of the total project budget, a total of \$148,014 has already been paid by the prior agency in design services and permit fees. Of this amount, \$37,003 (25%) was funded from the local match. In addition, \$185,836 in AB1290 funds were previously released to the City. This action will authorize the CRA/LA to transfer an amount up to \$832,418 to BOE, thus totaling the committed \$1,055,257 match. The Council Office has confirmed that the \$185,836 required to complete the local match will be funded with City share of AB1290 funds that were previously released and are under the City's control.

The continued receipt and implementation of this Grant Award will allow the affected taxing entities to significantly leverage the matching fund investment and preserve external grant resources to improve critical transportation corridors in the San Fernando Valley area. Failure to perform on the EDA awarded grant may also adversely impact the City's competitiveness in the future when applying for EDA grants.

DISCUSSION & BACKGROUND

In November 2008, the Sayre Wild Land Fire ("Sayre Fire") devastated numerous buildings and structures as well as hampered efforts of emergency personnel to access and respond to the fire ravaged areas near the northeast boundary of the City of Los Angeles. In March 2010, the Former Agency submitted an application for an EDA grant for the Sun Valley area for essential public infrastructure improvements to alleviate and aid in improving critical transportation corridors used in the initial response to the Sayre Fire.

The Former Agency was subsequently awarded a \$3,165,771 grant which required a \$1,055,257 match. Staff worked diligently to implement the grant and procured a civil engineering firm, KOA Corporation, Inc. ("KOA") to design the improvements. An Oversight Committee was created to ensure the efficient implementation of the improvements, and throughout 2011, the Oversight Committee, comprised of representatives from several City departments met to refine the scope and ensure that any issues were resolved in a timely manner. On October 2011, KOA and the Former Agency submitted construction drawings to

BOE for a bond estimate. Upon payment of the bond estimate fee, the plans will be ready for B-permit review. The CRA/LA has been in communication with the EDA and received its concurrence that the best course of action is to transfer the grant to the City of Los Angeles. It has provided a list of requirements that will be needed for the EDA to make a final determination (Attachment C). EDA has requested a Governing Board resolution authorizing the transfer (Attachment D). CRA/LA will continue to work with the EDA and the City of Los Angeles to pursue an efficient transition.

Proposed Assignee: City of Los Angeles Bureau of Engineering

In order to serve the dual purpose of winding down the CRA/LA's redevelopment activities and reducing administrative costs in an expeditious manner, CRA/LA staff has been actively working on transitioning CRA/LA's active grant portfolio. In particular, staff has been working closely with the City of Los Angeles to identify City departments with the capacity and expertise to implement the various projects. The recommended actions provide for BOE to implement the Sun Valley Public Improvements Project. BOE, under the management of the Board of Public Works, has indicated a willingness to assume project management and implementation responsibilities for this project (Attachment B). BOE has experience overseeing the design and construction of similar public improvement projects, and has the expertise to effectively implement the Project.

Assignment of Existing Contract

KOA Corporation, Inc.

CRA/LA issued a Request for Proposals (RFP), IFB NP-13551 "Civil Engineering Services: Design of Street Improvements for San Fernando Road and Sheldon Streets within the Pacoima-Panorama City Redevelopment Project Area (Sun Valley Transportation Corridor Improvements)" on August 30, 2010. KOA was selected as the lead design consultant for the Sun Valley Public Improvements Project. Founded in 1987, KOA provides planning and engineering consulting services to public and private sector clients, specializing in traffic engineering, transportation planning and street and roadway design. Their professional staff of registered civil and traffic engineers is located throughout California with offices in Monterey Park, Ontario, San Diego, Orange County, and the South Bay.

CBM Consulting, Inc. ("CBM"), a wholly owned subsidiary of KOA, specializes in civil engineering design, project management, and construction management of public works projects for public agencies in Southern California. CBM has experience with Bureau of Engineering, Bureau of Street Lighting, Bureau of Street Services, and Bureau of Contract Administration and in obtaining A and B permits for projects. KOA has teamed with KDM Meridian and Geo-Environmental, Inc. to provide services for this project. KDM Meridian will perform field survey work, research pertinent documents and provide AutoCAD compatible survey information as a basis for the design process. GeoEnvironmental Inc. will perform the geotechnical engineering investigation of existing pavement and subgrade conditions and provide asphalt pavement rehabilitation recommendations and supporting structural section calculations.

On March 8, 2011, the Former Agency entered into a contract with KOA for an amount not to exceed \$265,480 for the design of the improvements through final inspection and close-out. To date, KOA has accomplished several milestones in the contract, finalizing construction drawings for B-permit review. In order to allow for a seamless transition of the Project to BOE and preserve the ability to carry out the grant-funded activities within the grant performance timeframe, authority is being requested to assign the existing KOA contract to BOE and fund the \$119,466 balance of the KOA contract, which is part of the outstanding match obligation.

Basis for Approval

The recommended actions are consistent with and authorized by provisions of Assembly Bill 1x-26, including but not limited to the following:

Chapter 3, Section 34177(i) provides that a successor agency is required to “*continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties.*” The recommended actions will permit CRA/LA to effectuate the transfer of its obligation to the parties described in this Board memorandum.

Chapter 4, Section 34180(e) provides that the following successor agency actions shall first be approved by the oversight board: “*(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent*”

Chapter 4, Section 34180(h) provides that the following successor agency actions shall first be approved by the oversight board: “*(h) A request by the successor agency to enter into an agreement with the city, county or city and county that formed the redevelopment agency that it is succeeding...*”

The recommended actions of assigning to other parties these grant funded projects are consistent with the objectives of winding down redevelopment activities and reducing CRA/LA administrative costs. If the recommended actions are approved, CRA/LA will have no further obligations under the grant awards except to provide the required matching funds in the amounts and as provided in this Board memorandum.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

The executed EDA grant is listed on the approved ROPS 1 as a grant receivable line item in the amount of \$3,165,771 (ROPS #1249). Additionally, both the KOA Corporation, Inc. contract and the remaining AB 1290 matching share are enforceable obligations and appear on ROPS as #0689 and #1050, respectively.

Approval of this item would add the proposed agreement with the City of Los Angeles Bureau of Engineering to ROPS 3 covering the period January through June 2013 to provide the transfer in an amount up to \$832,418 to BOE, to be funded entirely with the City’s share of AB1290. These AB 1290 funds are City of Los Angeles funds held by CRA/LA pursuant to an arrangement with the City and are required to be used for redevelopment activities within redevelopment project areas as directed by the City. The City has agreed to the proposed use.

ENVIRONMENTAL REVIEW

The proposed actions do not constitute a “project” according to the California Environmental Quality Act (CEQA). Any future governmental discretionary decisions for approval of an individual proposed project would require environmental review in compliance with CEQA.

Christine Essel
Chief Executive Officer

By:



David Riccitiello
Chief Operating Officer

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 Map
- Attachment B: City of Los Angeles Letter
- Attachment C: EDA Letter
- Attachment D: Resolution Authorizing the Transfer of the Grant Award



Traffic Signal Improvements



Proposed Street Improvements

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF PUBLIC WORKS
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DEPARTMENT OF
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BUREAU OF
ENGINEERING

GARY LEE MOORE, P.E.
CITY ENGINEER
1149 S. BROADWAY, SUITE 700
LOS ANGELES, CA 90015-2213

<http://eng.lacity.org>

June 29, 2012

Members of the Governing Board and Oversight Board
CRA/LA, a Designated Local Authority
1200 West 7th Street
Los Angeles, CA 90017

Dear Members of the Boards:

**CONFIRMING ACCEPTANCE OF SUN VALLEY ECONOMIC DEVELOPMENT
ADMINISTRATION (EDA) PUBLIC IMPROVEMENTS PROJECT**

The Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is responsible for the award, implementation and management of a number of transportation-related grant-funded projects. However, the approval of Assembly Bill 1x-26 has resulted in the dissolution of redevelopment agencies and management of these projects and their associated grant funds are now in jeopardy, including the Sun Valley EDA Public Improvements Project.

This project includes the construction and upgrading of curbs, gutters, sidewalks, and pavements in the community of Sun Valley in Council District 6 at the following two streets and five intersections:

San Fernando Road (Kagel Canyon Street to Allegheny Street)
Sheldon Street (Telfair Avenue to Glenoaks Boulevard)
Branford Street and Laurel Canyon Boulevard
Branford Street and San Fernando Road
Branford Street and Glenoaks Boulevard
Sheldon Street and San Fernando Road
Sheldon Street and Glenoaks Boulevard

The City of Los Angeles Bureau of Engineering (BOE) agrees that these are needed improvements and is willing to assume the management and delivery of this project provided that there is sufficient funding and time to complete this project.

It is our understanding that the design is approximately 90% complete. Although BOE has not had an opportunity to review the construction estimate and the design plans at



this time, based on information received from the CRA/LA and BOE's preliminary cost analysis, we feel that the project may be short funded and could require additional money to complete. If it is confirmed after bids are received that additional funding is necessary to complete the project, BOE will work with the Mayor's Office to seek additional funding or to reduce the scope of the current project. Also, based on the current status of the project, BOE believes that the EDA grant deadline of August 6, 2014 for project acceptance will likely require an extension

My staff has been working in close collaboration with CRA/LA and the Mayor's Office staff to confirm this agreement. Please contact Michael Brown at (213) 485-4523 with any follow-up questions for BOE.

Sincerely,



Gary Lee Moore, P.E.
City Engineer

GLM:MB:jp:SecureQ:VJ\Streets and Stormwater\Word\cra sun vallèy project acceptance

cc: Borja Leon, Mayor's Office
Gregg Spotts, Mayor's Office
Nat Gale, Mayor's Office
Jim Dantona, Council District 6
Andrea A. Alarcon, Board of Public Works
Valerie Lynn Shaw, Board of Public Works
David Hirano, CAO
Maria Souza-Rountree, CLA
Vincent Jones, BOE
Michael Brown, BOE
Steven Chen, BOE



U. S. DEPARTMENT OF COMMERCE
Economic Development Administration
915 Second Avenue, Room 1890
Seattle, WA 98174
Fax: 206.220.7669
Voice: 206.220.7660

June 28, 2012

Dora Huerta | Assistant Project Manager
CRA/LA, a Designated Local Authority
1200 West Seventh Street, Suite 500, Los Angeles, CA 90017

RE: EDA Award No. 07-79-06545
Sun Valley Road Improvements

Dear Ms. Huerta:

As per our recent discussions, EDA concurs that it would be beneficial to transfer the subject grant from the Community Redevelopment Agency (CRA) to the City of Los Angeles (City). The assumption of the grant by the City would enable EDA funding of various improvements owned, operated and maintained in the City right-of-way.

The following documentation will be required in order to complete the transfer of the grant:

Release of Existing EDA Recipient (CRA/LA):

1. A resolution from the CRA (or the successor agency's governing board) agreeing to transfer the EDA grant award and associated obligations to the City.

Assumption of Grant Responsibilities by New EDA Recipient (City):

1. A SF-424 "Application for Federal Assistance" signed by a City Official. For guidance, please reference the attached SF-424 previously completed by the CRA;
2. A CD-511 "Certification Regarding Debarment, Suspension, etc.", signed by a City Official.
3. A SF-LLL "Disclosure of Lobbying Activities", signed by a City Official.
4. A SF-424AD "Assurances and Additional Assurances" (Exhibit D), signed by a City Official.
5. In the ED-900 application, Section A.7, "Civil Rights" contains 2 boxes which must be checked. Please have this item completed and signed by a City Official, and,

6. Identification by the City as to how the local match requirement (\$1,055,257) will be met for the EDA award.

Enclosed are copies of the referenced forms. EDA will consider the materials submitted, and make the appropriate determinations. If you have any questions, please contact me Stan Good at (206) 220-7701.

Sincerely,

A handwritten signature in black ink, appearing to read "N. Stanley Good". The signature is fluid and cursive, with the first name being the most prominent.

N. Stanley Good, P.E.
Civil Engineer
Public Works Division

Attachments Sent by Email (5)

CC: Wil Marshall, EDR

ATTACHMENT "D"

CRA/LA, A DESIGNATED LOCAL AUTHORITY

RESOLUTION NO. _____

A RESOLUTION OF CRA/LA, A DESIGNATED LOCAL AUTHORITY (SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA (THE "Former Agency") REGARDING THE TRANSFER OF THE U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION ("EDA") GRANT TO THE CITY OF LOS ANGELES BUREAU OF ENGINEERING (THE "City").

WHEREAS, in November 2008, the Sayre Wild Land Fire (the "Sayre Fire") devastated numerous buildings and structures and thwarted the efforts of emergency personnel to access and respond to the fire damaged areas near the northeast boundary of the City.

WHEREAS, in March 2010, the Former Agency submitted an application for an EDA grant for the Sun Valley area for essential public infrastructure improvements to alleviate and aid in improving critical transportation corridors used in the initial response to the Sayre Fire.

WHEREAS, on August 3, 2010, the City Council of the City of Los Angeles (the "City Council") authorized the Former Agency, through Council File # 10-0046-S1, to accept a grant awarded from the EDA in the amount of Three Million One Hundred Sixty-Five Thousand Seven Hundred Seventy-One Dollars (\$3,165,771) (the "EDA Grant") to fund the Sun Valley EDA Public Improvements Project (the "Project") and to transfer AB 1290 Earthquake Disaster Assistance Project funds in the amount of One Million Fifty-Five Thousand Two Hundred Fifty-Seven Dollars (\$1,055,257) to satisfy the local match requirement.

WHEREAS, the purpose of the Project is to repair and improve existing transportation corridors and intersections for improved emergency traffic flow and to create an engaging, efficient, and pedestrian-friendly streetscape in the community of Sun Valley in Council District 6 at two (2) streets and five (5) intersections. The two (2) streets include San Fernando Road (Kagel Canyon Street to Allegheny Street) and Sheldon Street (Telfair Avenue to Glenoaks Boulevard). The five (5) intersections include: Branford Street and Laurel Canyon Boulevard, Branford Street and San Fernando Road, Branford Street and Glenoaks Boulevard, Sheldon Street and San Fernando Road, and the intersection at Sheldon Street and Glenoaks Boulevard.

WHEREAS, the proposed improvements under the Project include: cold planing asphalt, pavement and overlay, replacing concrete pavement with asphalt pavement, striping, replacing or constructing new sidewalks, curbs and gutters, upgrading bus pads, access ramps, lighted street name signs and improving drainage conditions at the intersections.

WHEREAS, on August 30, 2010, the Former Agency issued a request for proposals, IFB NP-13551, for engineering and design services. On February 1, 2011, the City Council adopted a motion approving the contract between KOA Corporation, Inc. and the Former Agency in an amount not to exceed Two Hundred Sixty-Five Thousand Four Hundred Eighty Dollars (\$265,480) for engineering design services related to the Project (the "KOA Contract"). On March 8, 2011, the Former Agency entered into the KOA Contract for services, including the design of the improvements through final inspection and close-out.

WHEREAS, on June 28, 2012, the EDA and CRA/LA agreed that it would be beneficial to transfer the EDA Grant and the KOA Contract from the Former Agency to the City to enable the EDA Grant to fund various improvements owned, operated and maintained in the City right-of-way.

NOW, THEREFORE, CRA/LA, A DESIGNATED LOCAL AUTHORITY (SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA) DOES HEREBY RESOLVE AS FOLLOWS:

1. CRA/LA finds that it would be beneficial to transfer the following: (a) the EDA Grant; (b) the remaining local match funds in the amount up to Eight Hundred Thirty Two Thousand Four Hundred and Eighteen Dollars (\$832,418) (the "Remaining Local Match Funds"); and (c) the KOA Contract from the Former Agency to the City for the Project.
2. CRA/LA hereby approves and authorizes the Chief Executive Officer of CRA/LA (the "CEO"), or such other official of CRA/LA as the CEO may designate, to negotiate and execute an assignment agreement and any other documents needed to effectuate the transfer of the EDA Grant for the Sun Valley Public Improvements Project from the Former Agency to the City.
3. CRA/LA hereby approves and authorizes the CEO, or such other official of CRA/LA as the CEO may designate, to negotiate and execute any agreements and any other documents with the City to effectuate the funding of the outstanding commitment of the Remaining Local Match Funds for the Sun Valley Public Improvements Project.
4. CRA/LA approves and authorizes the CEO, or such other official of CRA/LA as the CEO may designate, to execute an assignment agreement and any other documents needed to effectuate the transfer of the KOA Contract for the Project from the Former Agency to the City.

ADOPTED BY CRA/LA ON: