

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0111-31341-0214
C.F. 14-1174
Council District 1, 2, 3, 4,
6, 7, 8, 9, 10, 13, 14, 15

Date: June 26, 2024

To: The CRA/LA Bond Oversight Committee

From: CRA/LA Bond Oversight Committee Staff

Subject: **REPORT ON A BOND EXPENDITURE AGREEMENT EXTENSION REQUEST FROM THE CRA/LA.**

RECOMMENDATION

That the CRA/LA Bond Oversight Committee (BOC) recommend that the City Council, subject to the approval of the Mayor:

1. AUTHORIZE a request for an extension to the term of the CRA/LA Bond Expenditure Agreement for a period of 18 months from January 15, 2025 to July 15, 2026, to allow for the completion of all projects and the expenditure of all funds;
2. INSTRUCT the CRA/LA BOC, with the assistance of the Economic and Workforce Development Department (EWDD) and the City Attorney, if the extension is approved, to negotiate and execute any required amendments to the CRA/LA Bond Expenditure Agreements; and,
3. DIRECT the CRA/LA BOC staff to report back on the additional administrative resources that will be needed if the extension is granted.

SUMMARY

As directed by the Bond Oversight Committee on May 30, 2024, the CRA/LA Bond Oversight Committee staff, consisting of the City Administrative Officer (CAO), Chief Legislative Analyst (CLA) and EWDD have assessed the need for an expenditure extension request to CRA/LA and the State Department of Finance to provide the City of Los Angeles (City) additional time to complete all remaining projects and expend the funds. This report outlines our recommendation based on this assessment.

DISCUSSION

As of June 20, 2024, the City has completed 51 projects and expended \$60,223,334 funds. However, there are an additional 36 projects that are in the implementation phase or the funds are being reprogrammed to other projects, with a remaining balance of \$38,285,779. Staff forecasts that \$9,448,679 of unexpended funds will remain unspent by January 15, 2025. To expend the remaining amount, staff recommends an extension request of 18 months until July 15, 2026.

Based on the forecast data (attached), the CRA/LA Bond Oversight Committee staff assessed several options and determined that an 18-month extension would maximize the probability of completion of all projects and expenditure of all funds. Based on both the monthly expenditure projections and discussions with the relevant project managers, all projects could be delivered on or before the July 15, 2026 deadline.

It is anticipated that the approval of an 18-month extension would require additional administrative funds for the CRA/LA BOC staff salaries. Staff will report back at the next meeting on the estimated need.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendations in this report at this time.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

ATTACHMENT: CRA/LA Excess Bond Proceeds Expenditure Forecast

	A	B	C	D	E	F	G	H	I	J	
		CRA/LA Projects Under Review									
1		Project List (Date funds available)	Council District	Funds Available to Reprogram	Dept	PRINCIPAL EBP	INTEREST EBP	CURRENT	EXPENDITURES (As Of 5/13/24)	Remaining May 2024	
2	1	SRTS Magnolia Ave ES Project (5/24)	1	\$510,438		NA	NA			\$ 510,438	
3		<i>-DOT assessing project feasibility</i>									
4	2	SRTS Union Ave ES Project (5/24)	1	\$560,424		NA	NA			\$ 560,424	
5		<i>-DOT assessing project feasibility</i>									
6		CRA/LA Projects to be REPROGRAMMED									
7	3	Vineland Walkway and Median (8/24)	2		SLA	NA	NA			\$ 400,159	
8		<i>via motion</i>		\$400,159							
9	4	Normandie Pedestrian Imp (11/24)	8	\$3,393		NA	NA			\$ 3,393	
10		<i>Project and Council District; no further action needed</i>									
11	5	Lankershim Plaza Improvements (11/24)	2	\$6,557		NA	NA			\$ 6,557	
12		<i>Project and Council District; no further action needed</i>									
13	7	Administrative Costs:				NA	NA			\$ -	
14		Total:		\$1,480,970		NA	NA		\$0	\$ 1,480,970	

	A	B	C	D	E	F
1	Forecast Overview	Projects		Funds		Comments
2		#	%	\$	%	
3	Total Portfolio as of May 13, 2024	82	100%	98,509,113	100%	Principal and Interest
4	Less expenditures through May 13, 2024 (including completed projects)			60,223,334	61%	
5	Funds remaining as of May 13, 2024			38,285,779	39%	
6						
7	Open					
8	Open projects and project budgets as of May 13, 2024	31	38%	49,700,240	50%	See total in column H
9	Funds remaining on Open Projects			32,585,346	33%	
10	Funds Paid and Approved on Completed Projects Since May 13, 2024			3,796,648	4%	Expended from May 13, 2024 to date
11	Funds Available For Reprogramming Since May 13, 2024			1,903,785	2%	
12						
13	Additional funds expected to be completed by EOY 2024 ("substantial completion")	16		\$25,040,452		
14	Portfolio completed EOY 2024	16	82%	89,060,434	90%	
15				9,448,679	10%	
16						
17	Additional expected to be completed by EOY 2025	11		\$4,012,749		12 month extension
18	Portfolio completed EOY 2025	27	95%	94,903,903	96%	
19	Balance remaining			3,605,210	4%	
20						
21	Expected completion during first half of Calendar 2026			\$949,750		18 month extension
22	Portfolio completed Mid-year 2026	28	96%	95,853,653	97%	
23	Balance remaining			2,655,460	3%	
24						
25	Expected completion during second half Calendar 2026	1	100%	450,588		24 month extension
26	Additional expected to be completed by EOY 2026	2	100%	1,400,338	1%	
27	Total Projects Completed	82	100%	96,304,241	98%	