City of San Gabriel

◆ City With A Mission ◆ Founded 1771 ◆

June 15, 2012

Mr. Mark Hill
Program Budget Manager
Department of Finance
915 L. Street
Sacramento, CA 95814-3706

Dear Mr. Hill,

This letter responds to your May 25 determination that two items in the First Recognized Obligation Payment Schedule (ROPS) and one of those items repeated in the Second ROPS are not enforceable obligations. A conference call on Monday, June 9, with Supervisor Chikako Takagi-Galamba and Lead Analyst Cindie Lor of the Department of Finance (DOF) and Oversight Board Vice Chair Marston, Peter Wallin, Deputy City Attorney and I, did not adequately address our concerns. We were advised to pursue an appeal and were assured that the legal questions we raised would be referred to DOF's General Counsel.

Our discussion revealed that DOF staff's review of our rejected items was limited to only one factor: whether or not a contract was executed prior to June 28, 2011. Therefore, we formally appeal the decision of DOF and request that all provisions of ABx1 26 and 27 be applied in the review of each item. The justification for this appeal is summarized below.

January through June 2012 ROPS

- Items 25 and 29, totaling $1 million in Redevelopment Property Tax Trust Fund (RPTTF).

Item 25 (**San Gabriel Streetscape Improvement Project**) shows the cost that has already been expended in implementing the initial phase of a Streetscape Master Plan within the Redevelopment Project Area. The Master Plan was approved by the City Council and Redevelopment Agency in December 2010. Item 25 involves contracts that were entered into both before and after June 27, 2011. Only the construction contract with Marina Landscaping was awarded after June 27, 2011. However, the prohibition on contracting after that date was not applicable to the San Gabriel Redevelopment Agency because the City adopted an ABx1 27 "opt-in" ordinance which allowed the Agency to continue to contract.

DOF staff indicated to us that because the Supreme Court struck down ABx1 27 DOF is refusing to recognize the validity of any such contracts. This stance is in marked contrast to the position of the State Attorney General who has argued in litigation involving the statute that the invalidity of ABx1 27 was effected by the order of the Supreme Court on December 29, 2011, and that the stricken bill was **not** void *ab initio.*

City Hall: 425 South Mission Drive, San Gabriel, California ◆ Mail: P.O. Box 130, San Gabriel, California 91778-0130
◆ 626-308-2800 ◆ FAX 626-458-2830

Even ignoring ABx1 27, the DOF should still be allowing the City to honor these obligations. Health and Safety Code §§34181(a) authorizes the Oversight Board to direct the Successor Agency to retain assets constructed and used for a government purpose. The San Gabriel Successor Agency Oversight Board, recognizing that there is no other legal and rational solution to the paradox created by the facts of this case, elected to allow the City to retain the streetscape assets by approving the ROPS. In this case the monies cannot be recovered from Marina Landscaping which completed all work under the contract. The City should not be burdened with the obligation -- successor agency liabilities are limited to the total property tax revenues received by them (Health & Safety Code § 34173(e)). The improvements themselves have no resale value if "clawed back" to the successor agency. Fortunately, ABx1 26 does make provision for such circumstances. Unfortunately, the DOF has to date ignored this provision and has rigidly adhered to its nullification of any and all expenditures incurred on contracts entered into after the June 27, 2011 cut-off date. DOF staff admitted to us that they only considered whether or not a contract was executed prior to June 28, 2011, and made no attempt to apply other provisions of the law. For this reason, we request that DOF provide us with a legal opinion on the matters raised on this appeal.

Finally, we seek clarification regarding the impact of DOF's action on the successor agency's ability to secure future RPTTF to pay enforceable obligations. The monies expended on the Marina Landscaping contract came from cash on hand and the City does not need to tap into the RPTTF to pay that obligation. However, we are concerned that either DOF or the Los Angeles County Auditor-Controller will refuse to provide the City with a like amount in the future and that we will accordingly have insufficient monies to pay enforceable obligations. In light of Health and Safety Code § 34173(e), who will be responsible for making those payments? DOF staff indicated to us that the Auditor Controller, not DOF, was responsible for determining what monies would be paid from the RPTTF. That answer is not helpful to us in determining the impact of DOF's decision on this matter. Are you able to give us a precise description of the consequences of your determination in relationship to the City's ability to pay enforceable obligations in the future?

The Successor Agency provided DOF with all relevant documents regarding Item 25, including the following: (i) August 16, 2011 Opt In Ordinance, and (ii) Resolution No. OB 12-02 and 12-03 approving the First and Second ROPS respectively with corrections noted. A full set of those documents is submitted herewith for your convenience.

Item 29 (**MTA Grant**) involves a grant for a future phase of the Streetscape Master Plan. In January 2011 the City applied for the grant with the local share to be met with Agency funds. The grant was awarded and the project will require local share funding of $458,558.00. Health and Safety Code §34180(e) authorizes the Oversight Board to approve "continuing the acceptance of....grants where assistance is conditioned upon the provision of matching funds by the successor entity." Consideration of this matter was placed on the Oversight Board's agenda and the Board approved payment of the local share as an enforceable obligation by adoption of Resolution No. OB 12-04. Accordingly, the obligation has been duly authorized.

DOF staff advised us that they only apply Health & Safety Code §34180(e) to grant contracts entered into prior to June 28, 2011, and that as of that date the City had only an application pending. That application

was however approved and the City now stands to lose over $500,000 in grant money due to the DOF's ruling.

We submit that DOF's interpretation of the law is contrary to established rules of statutory interpretation that require DOF to attempt to give meaning to every provision. Matching fund obligations under executed contracts are enforceable obligations and the legislature had no need to include a special provision to preserve those obligations. We submit that the intent of this provision was to avoid forfeiture of grant resources that would benefit local communities and the state. We understand that DOF's application of this interpretation to many other agencies similarly situated is causing a staggering loss of funds for the State's economy. DOF's failure to implement 34180(e)'s safety net is doing a disservice to all branches of government and to the citizens who would have been employed in these endeavors.

The Successor Agency provided DOF with all relevant documents including the following: (i) Resolution No. OB 12-04 approving Metro Call for Project Grant matching funds for the San Gabriel Boulevard Gateway Corridor Improvement Project and (ii) May 3, 2012 Oversight Board Staff Report. A full set of those documents is submitted herewith for your convenience.

July through December 2012 ROPS

- Item 29, in the amount of $458,558 in RPTTF.

See explanation of Item 29 above.

In closing, we request the opportunity to discuss these issues with DOF's legal counsel prior to DOF issuing a response to our appeal. The Successor Agency needs to resolve these issues expeditiously. Please let me know how we can assist DOF.

Thank you very much for your consideration of this appeal.

Sincerely yours,

Robin D. Scherr
Economic Development Manager

cc: Chikako Takagi-Galamba, Supervisor, Cindie Lor, Lead Analyst, DOF
Kristina Burns, Program Specialist III, County of Los Angeles Auditor-Controller and Treasurer-Tax Collector
Tom Marston, Peter Wallin, Jennifer Davis

Attachments

ATTACHMENTS FOR ITEM 25

- August 16, 2011 Opt In Ordinance
- Resolution Nos. OB 12-02 and 12-03

ORDINANCE NO. 593-C.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN GABRIEL, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN GABRIEL

WHEREAS, the City Council of the City of San Gabriel ("City") approved and adopted the Redevelopment Plan for the East San Gabriel Commercial Development Project Area ("Redevelopment Plan") covering certain properties within the City (the "Project Area"); and

WHEREAS, the Redevelopment Agency of the City of San Gabriel ("Agency") is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, et seq.) ("CRL"); and

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

WHEREAS, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area's economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, specifically, AB 1X 26 prohibits agencies from taking numerous actions, effective immediately and purportedly retroactively, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011; and

WHEREAS, AB 1X 27 provides that a community may participate in an "Alternative Voluntary Redevelopment Program," in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

WHEREAS, the Alternative Voluntary Redevelopment Program requires that the community agree by ordinance to remit specified annual amounts to the county auditor-controller; and

WHEREAS, under the threat of dissolution pursuant to AB 1X 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, which has been determined to be Four Hundred Sixty-Nine Thousand One Hundred Fifty Four Dollars ($469,154) by the State Controller, as well as the subsequent annual community remittances as set forth in the CRL; and

WHEREAS, the City reserves the right to appeal the California Director of Finance's determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194; and

WHEREAS, on July 18, 2011, the League of California Cities and the California Redevelopment Association filed a petition on behalf of cities, counties and redevelopment agencies asking the California Supreme Court to overturn AB 1X 26 and AB 1X 27 on the following grounds:

A. AB 1X 27 violates the State Constitution because it requires redevelopment agencies to use their tax increment funds for the benefit of the state and other local jurisdictions;

B. AB 1X 26's attempt to restrict the use of redevelopment agencies' funds pending their dissolution violates the State Constitution;

C. AB 1X 26's attempt to dissolve the redevelopment agencies violates the State Constitution;

D. The payments violate the State Constitution to the extent they are made with property tax proceeds;

E. The payments violate the State Constitution to the extent they are made with proceeds of local taxes other than property taxes; and

F. Requiring local governments to shoulder part of the state responsibility to fund schools constitutes an unfunded state mandate; and

WHEREAS, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City's right to recover such amounts and interest thereon, to the extent there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional; and

WHEREAS, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB 1X 26 and AB 1X 27; and

WHEREAS, to the extent a court of competent jurisdiction enjoins, restrains, or grants a stay on the effectiveness of the Alternative Voluntary Redevelopment Program's payment obligation of AB 1X 26 and AB 1X 27, the City shall not be obligated to make any community remittance for the duration of such injunction, restraint, or stay; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF SAN GABRIEL, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. **Participation in the Alternative Voluntary Redevelopment Program.** In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall comply with the provisions of Part 1.9 of Division 24

of the Health and Safety Code, as enacted by AB 1X 27.

Section 3. **Payment Under Protest.** Except as set forth in Section 4, below, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 *et seq.*

Section 4. **Effect of Stay or Determination of Invalidity.** City shall not make any community remittance in the event a court of competent jurisdiction either grants a stay on the enforcement of AB 1X 26 and AB 1X 27 or determines that AB 1X 26 and AB 1X 27 are unconstitutional and therefore invalid, and all appeals therefrom are exhausted or unsuccessful, or time for filing an appeal therefrom has lapsed. Any community remittance shall be made under protest and without prejudice to the City's right to recover such amount and interest thereon in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional. If there is a final determination that AB 1X 26 and AB 1X 27 are invalid, this Ordinance shall be deemed to be null and void and of no further force or effect.

Section 5. **Implementation.** The City Council hereby authorizes and directs the City Manager to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the Los Angeles County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB 1X 27.

Section 6. **Additional Understandings and Intent.** It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments.

Section 7. **CEQA.** The City Council finds, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a "project," but instead consists of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Los Angeles in accordance with CEQA Guidelines.

Section 8. **Custodian of Records.** The City Clerk is the custodian of records for this matter and the documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk's office located at 425 S. Mission Drive in the City of San Gabriel.

Section 9. **Severability.** If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

Section 10. **Certification; Publication.** The City Clerk shall certify to the adoption of this

I, Diana Aguilar, Deputy City Clerk of the City of San Gabriel, California, do hereby certify that the foregoing ordinance was adopted by the City Council of the City of San Gabriel at a regular meeting held thereof on the 16th day of August, 2011 by the following vote, to wit:

Ayes:	Costanzo, De La Torre, Gutierrez, Harrington,Sawkins
Noes:	None
Abstain:	None
Absent:	None

Diana Aguilar, Deputy City Clerk
City of San Gabriel, California

Ordinance and cause it to be published or posted, including the vote for and against the same, as required by law.

Section 11. **Effective Date.** This Ordinance shall become effective thirty (30) days from its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council on the 16 day of August 2011, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

David R. Gutierrez, Mayor

ATTEST:

Nina Castruita, Deputy City Clerk

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RESOLUTION NO. OB 12-02

A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE FIRST RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM FEBRUARY 1 TO JUNE 30, 2012 INCLUDING SUCCESSOR AGENCY ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, California Health and Safety Code Section 34177(I)(2)(A) requires the Successor Agency to prepare a draft recognized obligation payment schedule (the "ROPS") and make associated notifications and distributions; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget ("Successor Agency Administrative Budget") and submit it to the Oversight Board for the Oversight Board's approval; and

WHEREAS, the ROPS and Successor Agency Administrative Budget must be approved by the Oversight Board pursuant to Health and Safety Code Section 34180(g) and 34177(j), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the San Gabriel Successor Agency Oversight Board approves the First ROPS and Successor Agency Administrative Budget for the period of February 1, 2012 to June 30, 2012, attached hereto as Exhibit A and incorporated herein by this reference, and directs the Successor Agency City Manager, or designee, to file, post, mail, or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the First ROPS and approval of the Successor Agency Administrative Budget.

BE IT FURTHER RESOLVED, that Successor Agency City Manager or designee is authorized to make ministerial adjustments to the ROPS and Successor Agency Administrative Budget so long as these adjustments are within the scope of the approved schedule and total obligation.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed by the San Gabriel Successor Agency Oversight Board, at its meeting of May 3, 2012, by the following vote.

PASSED, APPROVED AND ADOPTED this third day of May, 2012.

AYES: 7
NOES: 0
ABSENT: 0
ABSTAIN: 0

Chair

ATTEST:

Clerk

RESOLUTION NO. OB 12-03

A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM FEBRUARY 1 TO JUNE 30, 2012 INCLUDING SUCCESSOR AGENCY ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, California Health and Safety Code Section 34177(l)(2)(A) requires the Successor Agency to prepare a draft recognized obligation payment schedule (the "ROPS") and make associated notifications and distributions; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget ("Successor Agency Administrative Budget") and submit it to the Oversight Board for the Oversight Board's approval; and

WHEREAS, the ROPS and Successor Agency Administrative Budget must be approved by the Oversight Board pursuant to Health and Safety Code Section 34180(g) and 34177(j), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the San Gabriel Successor Agency Oversight Board approves the Second ROPS and Successor Agency Administrative Budget for the period of July 1, 2012 to December 31, 2012, attached hereto as Exhibit A and incorporated herein by this reference, and directs the Successor Agency City Manager, or designee, to file, post, mail, or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Second ROPS and approval of the Successor Agency Administrative Budget.

BE IT FURTHER RESOLVED, that Successor Agency City Manager or designee is authorized to make ministerial adjustments to the ROPS and Successor Agency Administrative Budget so long as these adjustments are within the scope of the approved schedule and total obligation.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed by the San Gabriel Successor Agency Oversight Board, at its meeting of May 3, 2012, by the following vote.

PASSED, APPROVED AND ADOPTED this third day of May, 2012.

AYES: 0
NOES: 0
ABSENT: 0
ABSTAIN: 0

Chair

ATTEST:

Clerk

ATTACHMENTS FOR ITEM 29

- Resolution No. OB 12-04
- May 3, 2012 Oversight Board Staff Report

RESOLUTION NO. OB 12-04

A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING FUTURE YEAR TRUST FUNDS AS MATCHING GRANT FUNDS FOR METRO CALL FOR PROJECT FOR SAN GABRIEL BOULEVARD GATEWAY CORRIDOR IMPROVMENTS PROJECT AND THAT THE MATCHING GRANT FUNDS BE DEEMED AN ENFORCEABLE OBLIGATION

THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. California Health & Safety Code Sections 34179 *et seq.* requires that an Oversight Board be established to oversee the dissolution of the San Gabriel Successor Agency including disposition of its assets and insuring that its obligations are honored.

Section 2. The City of San Gabriel submitted a grant application pursuant to Metro's 2011 Call for Project for the San Gabriel Corridor Improvements Project and was awarded a grant for $538,307.

Section 3. As a result of redevelopment dissolution, Metro is requesting jurisdictions that were using RDA funds as matching funds to confirm that matching funds are available to these projects.

Section 4. Section 34180(e) of AB 1X 26 provides authority for the Oversight Board to approve such action and specifically requires the Oversight Board to approve the use of these funds before the Successor Agency could make use of the funds.

Section 5. Section 34180(e) of AB 1X 26 provides for "*Continuing the acceptance of federal or state grants or financial assistance from public or private sources where the assistance is conditioned upon matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.*"

Section 6. The local match commitment is 46%, well above the required 5%.

Section 7. The San Gabriel Successor Agency Oversight Board hereby approves $458,558 in future year trust funds as matching grant funds for Metro Call for Projects for the San Gabriel Corridor Improvements Project and that the matching grant funds be deemed an enforceable obligation.

PASSED, APPROVED and ADOPTED this 3rd day of May, 2012.

Ayes: 7
Noes: 0
Absent: 0
Abstain: 0

Chair

Attest:

Clerk

City of San Gabriel

Agenda Item No. 7.f.

STAFF REPORT

Date: May 3, 2012

To: Members of the San Gabriel Successor Agency Oversight Board

From: Jennifer Davis, Community Development Director

By: Robin Scherr, Economic Development Manager

Subject: **Resolution No. OB 12-04 approving RDA Funds for Metro Call for Project Grant Matching Grant Funds for the San Gabriel Boulevard Gateway Corridor Improvements Project**

I. RECOMMENDATION

Staff recommends that the San Gabriel Successor Agency Oversight Board adopt Resolution No. OB 12-04 approving $458,558 in future year trust funds as matching grant funds for Metro Call for Projects for the San Gabriel Boulevard Gateway Corridor Improvements Project and that the matching grant funds be deemed an enforceable obligation.

II. BACKGROUND

For a number of years Metro has awarded grants to local agencies in Los Angeles County for regionally significant transportation projects through a Call for Projects as part of Metro's obligation to prepare a Transportation Improvement Program ("TIP") for Los Angeles County. The awards require a local match.

On January 24, 2011,the City of San Gabriel submitted a grant application pursuant to the 2011 Metro Call for Projects for the San Gabriel Boulevard Corridor Improvement Project and the former Redevelopment Agency approved future RDA funds in the amount of $312,098 as City matching funds on January 18, 2011 in the event that a grant award was made. The project was initiated by the San Gabriel Redevelopment Agency to improve pedestrian and transit accessibility and amenities, provide sustainable materials for greening, and enhance the identity of this major transportation corridor. These improvements implement the San Gabriel Boulevard Streetscape Master Plan designed to revitalize the business district in the former redevelopment project area which is also a designated Slum-Blight Area under the Federal Community Development Block Grant Program.

Metro received 180 applications for the 2011 Call for Project funding. On September 14, 2011, the Metro Board approved 72 applications , including the City's grant application for the San Gabriel Boulevard Gateway Corridor Improvements Project.Metro's grant award was for $538,307 and required a local match commitment of $458,558 for a total revised project cost of $996,865. Funds were to be available beginning in FY 2015-16. The RDA's payment of the City match in the amount of $458,558 was listed as an enforceable obligation of the RDA.

As a result of redevelopment dissolution, Metro is now requesting jurisdictions that were using RDA funds as matching funds to confirm that matching funds are still available to these projects from other sources; even if the project is being programmed/funded in the future. Metro originally asked for such commitment by April 20, 2012; however, staff obtained a one month time extension to May 21, 2012 in order to bring such matter to the Oversight Board.

The City has no other fund source to pledge to Metro at this time to secure this grant award. Staf is therefore recommending that the Oversight Board confirm the matching funds as an enforceable obligation of the former Agency and approve the use of future trust funds as matching funds.

Section 34180 (e) of AB 1X 26 provides authority for the Oversight Board to approve such action and specifically requires the Oversight Board to approve the use of these funds before the Successor Agency could make use of the funds:

> "Continuing the acceptance of federal or state grants or financial assistance from public or private sources where the assistance is conditioned upon matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent."

In the present case the local match commitment is 46%, well above the required 5%.

Attachments:

1. Resolution No. OB 12-04 approving Metro Call for Project Grant matching funds for the San Gabriel Boulevard Gateway Corridor Improvement Project.

2. March 22, 2012 Letter from Metro requesting confirmation of grant matching funds. Note that the letter lists certain City projects that were approved in previous Call for Projects but asks jurisdictions to report on any projects programmed in a future year as well.

3. September 14, 2011 Metro Staff Report approving 2011 Countywide Call for Projects. Attachment F for TEA projects includes a description of the San Gabriel Boulevard Gateway Corridor Improvements Project for the City of San Gabriel.

4. January 18, 2011 San Gabriel Redevelopment Agency Staff Report on actions for the San Gabriel Streetscape Improvement Project, including Metro Call for Project grant application and RDA matching funds.

Attachment No. 1

Resolution No. OB 12-04

RESOLUTION NO. OB 12-04

A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING FUTURE YEAR TRUST FUNDS AS MATCHING GRANT FUNDS FOR METRO CALL FOR PROJECT FOR SAN GABRIEL BOULEVARD GATEWAY CORRIDOR IMPROVMENTS PROJECT AND THAT THE MATCHING GRANT FUNDS BE DEEMED AN ENFORCEABLE OBLIGATION

THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. California Health & Safety Code Sections 34179 *et seq.* requires that an Oversight Board be established to oversee the dissolution of the San Gabriel Successor Agency including disposition of its assets and insuring that its obligations are honored.

Section 2. The City of San Gabriel submitted a grant application pursuant to Metro's 2011 Call for Project for the San Gabriel Corridor Improvements Project and was awarded a grant for $538,307.

Section 3. As a result of redevelopment dissolution, Metro is requesting jurisdictions that were using RDA funds as matching funds to confirm that matching funds are available to these projects.

Section 4. Section 34180(e) of AB 1X 26 provides authority for the Oversight Board to approve such action and specifically requires the Oversight Board to approve the use of these funds before the Successor Agency could make use of the funds.

Section 5. Section 34180(e) of AB 1X 26 provides for "*Continuing the acceptance of federal or state grants or financial assistance from public or private sources where the assistance is conditioned upon matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.*"

Section 6. The local match commitment is 46%, well above the required 5%.

Section 7. The San Gabriel Successor Agency Oversight Board hereby approves $458,558 in future year trust funds as matching grant funds for Metro Call for Projects for the San Gabriel Corridor Improvements Project and that the matching grant funds be deemed an enforceable obligation.

PASSED, APPROVED and ADOPTED this ____ day of May, 2012.

Ayes:
Noes:
Absent:
Abstain:

_____
Chair

Attest:

_____
Clerk

Attachment No. 2

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

ROBIN

Metro

RECEIVED
MAR 26 2012

March 22, 2012

Mr. Steve Preston
City Manager
City of San Gabriel
425 S. Mission Dr.
San Gabriel, CA 91776

RE: Community Redevelopment Agency Funding

Dear Mr. Preston:

On December 29, 2011, the California Supreme Court issued its decision to uphold legislation dissolving Community Redevelopment Agencies (CRAs) statewide. Through our Call for Projects program, grants have been awarded to CRAs and/or local agencies who have proposed to use redevelopment funds as their local match. We have identified the following project(s) from your City that may be affected by the dissolution of CRAs.

Project # F1100 – San Gabriel Blvd – Las Tunas Intersection Improvements
Project # F1101 – San Gabriel Blvd – Broadway Intersection Improvements

At this time, we would like to receive your confirmation that the City is still committed to the project and if necessary, you have identified alternative non-CRA funds as the new local match for the project and have the staff capacity to implement the project. Please inform Fanny Pan, Transportation Planning Manager, at panf@metro.net or 213-922-3070 by April 20, 2012 of your City's decision with regard to the project(s) and the new source of local match funding. If you will be pursuing the project(s), we will need to exercise an amendment to any existing agreement(s) to reflect the change in the local match funding. If your project is programmed in a future year(s), we still need your confirmation by the above date. We will work with you on the project agreement during the first programming year.

If you would like to meet with my staff to discuss this further, please contact Fanny Pan to schedule a meeting. Should you have any additional questions, please feel free to contact Renee Berlin, Executive Officer at 213-922-3035, or Calvin Hollis, Executive Officer at 213-922-7319.

Sincerely,

Martha Welborne

Martha Welborne, FAIA
Executive Director

cc: Jennifer Davis
Daren Grilley

Attachment No. 3

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 tel
metro.net

Metro

PLANNING & PROGRAMMING COMMITTEE
SEPTEMBER 14, 2011

SUBJECT: COUNTYWIDE CALL FOR PROJECTS

ACTION: APPROVE 2011 COUNTYWIDE CALL FOR PROJECTS

RECOMMENDATION

Approve the following actions for the 2011 Countywide Call for Projects (as further described in this report and attachments):

A. Approve the recommendations in Attachment A responding to the Technical Advisory Committee (TAC) motions regarding the 2011 Call for Projects and additional funding recommendations;

B. Program $123.516 million in eight modal categories as shown in Attachment B. This amount also programs the 2011 Deobligations and the Long Range Transportation Plan (LRTP) Call for Projects reserve;

C. Approve all projects in Attachment B for potential nomination to the California Transportation Commission (CTC) for 2012 State Transportation Improvement (State TIP) funds, as necessary;

D. Amend the recommended 2011 Call for Projects Program of Projects into the FY 2011-2012 Los Angeles County Regional Transportation Improvement Program (Regional TIP);

E. Administer the 2011 Call for Projects as a project-specific grant program with the requirement that project sponsors bear all cost increases;

F. Authorize the Chief Executive Officer (CEO) to administratively provide project sponsors with funding in earlier years than shown, if the project sponsor can demonstrate project readiness to proceed, has sufficient local match and such funds are available; and

G. Adopt the resolution contained in Attachment C required by the Southern California Association of Governments (SCAG) which certifies that Los Angeles County has

the resources to fund the projects in the FY 2011-2012 Regional TIP and affirms its commitment to implement all of the projects in the program.

ISSUE

In February 2011, we received 180 applications for 2011 Call for Projects funding. Over the past seven months, we have evaluated the applications, met with TAC and its Subcommittees, and TAC held project sponsor appeals. Based on the evaluations and taking TAC's recommendations into consideration, we are recommending funding for 72 projects totaling $123.516 million. Board approval is necessary to program the funds to these 72 projects.

DISCUSSION

Background

Federal statute (Title 23 U.S.C. 134 (g) & (h)) and State statute (P.U.C. 130303) require that we prepare a Transportation Improvement Program (TIP) for Los Angeles County. The TIP allocates revenues across all surface transportation modes based on the planning requirements of the Federal Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

We accomplish these mandates, in part, by programming transportation revenues through the Countywide Call for Projects process wherein Los Angeles County local agencies may apply for funding of regionally significant projects. These regionally significant projects are often beyond the fiscal capabilities of local sponsors. The Call process provides an opportunity for these additional projects to be funded to meet the County's transportation needs. The Call implements MTA's multimodal programming responsibilities for Los Angeles County and the Board-adopted 2009 LRTP. The Call process awards funds on a competitive basis for projects that successfully demonstrate their mobility benefits.

Call for Projects Overview

Work on the 2011 Call process began in July 2010. MTA's TAC and its Subcommittees were consulted at various steps throughout the development process. In December 2010, the Board approved the 2011 Countywide Call for Projects Application Package, which provided instructions to project applicants. We hosted a Call for Projects Workshop on November 16, 2010 and outreached to the various subregions.

A total of 180 project applications were received in February 2011, and the technical evaluation process began. This evaluation was conducted by internal technical teams who reviewed applications within each of the transportation modal categories using the Board-approved application requirements and evaluation criteria. After the Board approved the Preliminary Project Funding Strategy in June 2011, a preliminary project

recommendations list was developed, posted online, and mailed to project applicants and TAC members in late June/early July.

Technical Advisory Committee (TAC)

A special TAC meeting was held on July 19th to review the preliminary project scores and funding recommendations, and again on August 9th to hear appeals from eight agencies on 21 projects. TAC concurred with staff's preliminary recommendations in the Goods Movement Improvements, Signal Synchronization and Bus Speed Improvements, Transportation Demand Management, and Transportation Enhancement Activities modes. They restored full funding to six partially funded projects in the Regional Surface Transportation Improvements (RSTI) mode and recommended funding two additional projects. TAC also recommended funding for three additional projects in the Bikeway Improvements mode, two additional projects in the Pedestrian Improvements mode, and one additional project and additional funding for another project in the Transit Capital mode. Staff concurred with the TAC recommendations.

Attachment A is a matrix of staff responses to the TAC motions.

Fund Estimate Assumptions

In March 2011, the Board adopted a preliminary fund estimate of $102 million, plus $5 million for FY 2014-2015 that was deobligated from 2010 Recertification and Deobligation process, for a total of $107 million for the three-year Call period. The Board also adopted the preliminary modal category funding marks based on federal, state and local fund forecasts used to develop the 2009 LRTP.

Forecasts for the local fund sources are consistent with the 2009 LRTP and MTA's Debt Policy. Federal funding forecasts are based on historical trends, but are adjusted to reflect federal Highway Trust fund growth rates and possible downside risks (e.g., possible reductions in amounts of Congestion Mitigation and Air Quality Improvement [CMAQ] Program funds). State fund forecasts are also based on historical trends, but do not reflect growth due to higher priority needs such as State Highway Safety, Maintenance, and Operating costs. The specific funding sources and amounts chosen for the 2011 Call are subject to change based upon the projects finally selected and other factors, including project eligibility and funding availability.

Final Recommendations

In formulating our final funding recommendations, TAC motions were reviewed. Recommended changes to the preliminary project recommendations are summarized in Attachment A. Attachment D summarizes the specific recommendations and conditions associated with the 2011 Call for Projects while Attachment E provides additional background information on funding sources for the 2011 Call. Attachment F provides a description of each project recommended for funding.

FINANCIAL IMPACT

In March, the Board approved the 2011 Countywide Call for Projects modal category preliminary funding marks and preliminary fund estimate of $107 million. In August, the Board deobligated $17.4 million from prior Calls and reprogrammed those funds to the 2011 Call, except for the Signal Synchronization and Bus Speed Improvement Mode ($0.98 million). A total of $123.516 million is recommended to fund the 2011 Call for Projects listed in Attachment A. Call funding is subject to the availability of state and federal funding as planned. Should state and federal funding be reduced, we will return to the Board with recommendations on how to fund all of MTA's programs, including the 2011 Call for Projects. There is no funding programmed for projects approved through the 2011 Countywide Call for Projects in the FY12 Budget. The 2011 Countywide Call for Projects will be funded in FYs 2014-2015 through 2016-2017 and the respective Executive Director will be responsible for budgeting the costs in those years.

Impact to Budget

Proposition C 10% and 25% local sales tax funds will be included in the fiscal years' budgets as outlined above. The sources of funds for these activities are Proposition C 10%, Proposition C 25%, Congestion Mitigation and Air Quality (CMAQ), Regional Improvement Program (RIP), Regional Surface Transportation Program (RSTP) and State Transportation Improvement Program – Transportation Enhancements (STIP-TE). The Proposition C 10%, Proposition C 25% and STIP-TE funds are not eligible for Metro bus and rail operating and capital expenditures.

While the source of CMAQ funds is eligible for operating purposes or transit capital, there are no additional operating expenses eligible under CMAQ funding. However, CMAQ funds could be used for transit capital purposes. Los Angeles County must strive to fully obligate its share of CMAQ funding by May 1st of each year, otherwise we risk its redirection to other California Regional Transportation Planning Agencies by Caltrans. We recommend the use of long-lead-time CMAQ funds as planned to ensure utilizing our federal funds.

RSTP funds in this action could be used for our transit capital needs. Also, while these funds cannot be used directly for our bus or rail operating needs, they could free-up other such operating eligible funds by exchanging the funds used for our paratransit provider, Access Services Incorporated. Since these RSTP funds originate in the Highway portion (Title 23) of SAFETEA-LU, they are among the most flexible funds available to us. We do not recommend this action.

ALTERNATIVES CONSIDERED

The Board may suggest alternative projects for funding through the 2011 Call process. Projects added to the recommended list will result in other projects either moving off the funded list or projects receiving reduced levels of funding.

The Board could also choose to defer the 2011 Call for Projects. This is not recommended because the 2009 LRTP assumed the Call would continue. In addition, the Call provides funding to local agencies for transportation improvements, allowing local agencies to partner with us in improving the transportation system, thereby fulfilling our statutory transportation programming responsibilities.

NEXT STEPS

Upon Board approval of the 2011 Countywide Call for Projects, the TIP will formally be transmitted to SCAG and the CTC for processing. This same TIP will be amended into the 2012 STIP.

Project sponsors will be notified of the final funding awarded by Board and the sponsor's local match necessary to proportionally match awarded funds. A MTA-sponsored workshop will be scheduled with successful project sponsors for October 2011 to review and discuss MTA/project sponsor administrative conditions, and federal, state and local programming requirements.

Through the 2011 Call development process, MTA acknowledges the opportunity to use federal and state funds to accelerate the programming of approved projects. Upon Board approval of the 2011 Call, we will notify successful project sponsors of the possibility for advancing federal and state funds to earlier years in the 2011 Call cycle. As part of this notification, instructions will be provided as to the deadline for submitting requests and the criteria we will use to evaluate the submittals. To provide all project sponsors equal access to earlier year funding, all requests will be evaluated concurrently after the submittal deadline. If more requests are received than available funds, project advancement will be based on the project's ranking as determined by its overall evaluation score and the readiness of the project for early delivery.

After Board approval of the Call, the following schedule reflects the next steps.

Successful Project Sponsor Workshop	October 13, 2011
SCAG Approves Regional TIP	December 2011
Caltrans Approves Regional TIP	January 2012
CTC Adopts the 2012 State TIP	March 2012
U.S. Department of Transportation Approves Federal TIP	March 2012

ATTACHMENTS

A. Final Staff Recommendations Resulting from TAC Motions
B. MTA 2011 Countywide Call for Projects Recommended Program of Projects
C. 2011 Call for Projects Resolution
D. Specific Recommendation Information
E. Additional Background Information
F. 2011 TIP Countywide Call for Projects Descriptions of Recommended Projects

Prepared by: Rena Lum, Transportation Planning Manager, Long Range Planning
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Martha Welborne, FAIA
Executive Director, Countywide Planning

Arthur T. Leahy
Chief Executive Officer

F5821 Valencia Triangle Landscape Beautification Plaza – City of Los Angeles

This project is located in Los Angeles along 8th St between Union Av and Columbia Av. It will install streetscape improvements including landscaped island, trees, benches, enhanced sidewalks, pedestrian lighting, and crosswalk enhancements. Funds are requested for design, construction and installation costs.

Total Project Cost	$866,775
Total Revised Project Cost	$851,481
Recommended Funding	$553,463
Local Match Commitment	$298,018 (35% of Revised Project Cost)

F5806 San Gabriel Bl Gateway Corridor Improvements Project – City of San Gabriel

This project is located in San Gabriel along San Gabriel Bl between Fairview Av to Grand Av. It will install landscaped medians, decorative crosswalks, permeable paving, transit benches, trash receptacles, shade trees, and pedestrian lighting. Funds are requested for construction and installation costs.

Total Project Cost	$981,982
Total Revised Project Cost	$996,865
Recommended Funding	$538,307
Local Match Commitment	$458,558 (46% of Revised Project Cost)

Community Development Department
San Gabriel Redevelopment Agency

STAFF REPORT

Date: January 18, 2011

To: Steven A. Preston, FAICP, City Manager and Executive Director

From: Jennifer Davis, Community Development Director and Deputy Executive Director

By: Robin Scherr, Acting Economic Development Manager

Subject: **Actions for the San Gabriel Boulevard Streetscape Improvement Project**

SUMMARY

The quality of San Gabriel's visual image has been identified as a major concern of residents, business owners, the City Council, and the Redevelopment Agency. In 2009 the City retained Katherine Spitz Associates (KSA) to prepare a Streetscape Master Plan for San Gabriel Boulevard along the entire length of the redevelopment project area between Elm and Central avenues. In addition, KSA was funded to prepare construction documents for the implementation of streetscape improvements for one pilot area as the cost to implement improvements along the entire corridor would be significant and phased construction would be required.

KSA has completed the draft Streetscape Master Plan and estimated that the cost of construction of improvements for the entire corridor would be $5 million. At its December 14, 2010 joint meeting, the Council and Agency expressed a desire to complete construction documents for the entire 1.2 mile area in order to have "shovel-ready" plans to put the City in a good position to compete for future grant opportunities. Therefore, staff requests approval of a change to KSA's contract amount from $423,587 to $718,998, an increase of $295,411 to undertake this new work. The streetscape project is currently allocated $1,555,675 of redevelopment and CDBG funds in the CIP (No. 1-09-58) and no additional resources are required for this action.

The City is presented with two unique opportunities to advance the progress of this project. The first is related to incorporating a streetscape design treatment for the San Gabriel Boulevard Bridge as part of the San Gabriel Trench Project and the second is applying for grant funds as one of the possible 2011 MTA Call for Projects.

I. BACKGROUND

Location. The San Gabriel Boulevard Streetscape Improvement Project covers 1.2 miles from Elm Avenue, one block north of Las Tunas Drive, south to Central Avenue. The project will advance redevelopment goals of making the boulevard more safe, comfortable, and pleasant for pedestrians and bicyclists. It will also promote the business district by creating a distinct identity and providing opportunities for positive social interaction to attract customers.

Streetscape Design Status. KSA has prepared a draft streetscape master plan (drawings) for the entire length of the San Gabriel Boulevard within the project area. The placement of streetscape furnishings and design concepts are based on existing streetscape standards adopted by Council, input from stakeholders at a March 2010 community meeting, and existing boulevard conditions. The draft master plan will be presented to stakeholders at a community meeting scheduled for January 19. It is scheduled for review by the Planning Commission and Design Review Committee at a joint special meeting on February 14. Staff expects to return to the Council and Agency in early spring to request adoption of the final streetscape master plan.

Funding. This project is allocated $523,693 of RDA and $1,031,982 of CDBG funds in the CIP (No. 1-09-58).

II. ANALYSIS

PROPOSED KSA CONTRACT CHANGE ORDER

KSA's current contract is for $423,587. The existing scope of work includes the preparation of a streetscape master plan and construction documents for one pilot area. At the December 14, 2010 special Council and Agency meeting, staff was directed to expand KSA's scope of services to include construction documents for the *entire* 1.2 mile boulevard as well as construction observation and development of as-built drawings for the San Gabriel Boulevard Bridge which is proposed to be implemented by Alameda Corridor–East Construction Authority (ACE) as part of the San Gabriel Trench Project. There are sufficient RDA and CDBG resources allocated in CIP No. 1-09-58 to cover the additional amount of $295,411 for the proposed contract change order.

THE SAN GABRIEL BOULEVARD BRIDGE TREATMENT AND ACE PROJECT

The trench project includes construction of a new bridge to cross the railroad tracks at San Gabriel Boulevard. The base design for the bridge as proposed by ACE consists of plain reinforced concrete and chain link finishing, which would result in a visual "gap" along the boulevard once the other proposed streetscape improvements are implemented along the boulevard. The City has the opportunity to coordinate a bridge enhancement that creates both a visually appealing structure that fits the context of the community and is cohesive with the broader elements of the proposed boulevard streetscape master plan. The Council and Agency has requested staff to coordinate with ACE so that the San Gabriel Boulevard Bridge could be the first segment of the streetscape master plan to be implemented in conjunction with the trench project.

KSA has accelerated the preparation of construction documents for this segment of the streetscape project to coordinate with the timing of the completion of trench bid documents by ACE. The proposed bridge design treatment has been reviewed and accepted by ACE and Union Pacific;

however ACE has indicated that the added cost for the aesthetic design treatment will need to be covered by the City. In order for the bridge aesthetic treatment to be incorporated into the March 2011trench bid documents, funds must be committed by the City by the end of January. Therefore, staff requests that the Agency provide future RDA resources in the CIP in the amount of $455,000 in RDA funds to reimburse the ACE for the actual construction of the bridge streetscape treatment as part of the trench project.

The bridge design incorporates elements that were identified by stakeholders at the 2010 March Community meeting. It provides a thematic focal point for the streetscape master plan that benefits both pedestrians and motorists. Given the bidding timeframe of ACE for the trench project, there is only limited opportunity for additional changes to the design except for very minor modifications that relate to color, texture, and sizing of aesthetic design features. If the community and commissions do not support the proposed design, the Council and Agency would have the opportunity to eliminate the bridge enhancement from the ACE construction documents.

The $455,000 is a cost estimate only and the City-Agency will be responsible for covering the actual cost of the improvements. This will be a reimbursement to ACE within six years of the acceptance of the project by ACE. If approved, this item will be incorporated into the Betterment Agreement which will be brought to the City in early 2011.

MTA GRANT SUBMISSION

The Los Angeles County Metropolitan Transportation Authority (MTA) has issued its 2011 Call for Projects to solicit proposals for regional capital transportation projects. The Call is a competition through which federal, state, and local transportation funds are awarded to regionally significant projects. There are different modal categories including regional surface transportation improvements, goods movement improvements, signal synchronization and bus speed improvements, transportation demand management, bikeway improvements, pedestrian improvements, and transit capital, and transportation enhancement activities. Roadway rehabilitation is not eligible except as a small component of a larger eligible project. Funds will be available for selected projects beginning FY 2015-16. The deadline for the submission of grant applications is January 28, 2011. This round of funding is considerably smaller than in previous solicitations and, coupled with the anticipated fierce competition for these limited funds, the chances of a grant award to the City are greatly reduced.

Staff attended grant information workshops and have reviewed projects identified in the CIP to determine which projects would stand the best chance of being successful in this process. Staff considered factors such as project type, "readiness", level of local matching funds available, and the staff resources necessary and available to put together the detailed grant application within the short timeframe provided. Based on this evaluation, the streetscape project was determined by staff to be one of the best candidates for the City to put forward in this grant cycle.

Through the 2007 Call, the City was awarded grant funds for the intersection widening improvements on San Gabriel Boulevard at Las Tunas Drive and Broadway as well as funds for citywide bus shelters. These projects are currently in the early design stage. The proposed streetscape improvements which include pedestrian safety improvements and amenities, landscaped medians, and street trees, among others, will balance the automobile-oriented improvements of the intersection projects and help to create a "complete" street that serves all types of users. This is a

significant project in the redevelopment project area and has demonstrated support as evidenced by a community meeting held last March with nearly 100 participants.

While MTA requires a minimum 20% local match, additional local match funds will result in a higher score. Staff requests Council approval to submit a $500,000 grant application for construction of streetscape improvements and recommends that the Agency allocate $312,098 of future RDA resources for a local match of 38%.

III. ENVIRONMENTAL REVIEW

The Streetscape Improvement Project was processed by the Community Development Commission of the County of Los Angeles for compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) on April 6, 2009. The proposed project was determined to be a categorical exemption under Section 15301(c) under CEQA and a categorical exclusion under Section 58.35(a)(1) for public facility improvements under NEPA.

The construction of the bridge was evaluated in the Environmental Impact Report (EIR) prepared by the ACE in conformance with the provisions of the CEQA. The report was certified by the ACE Board on April 26, 2011. No specific impacts related to the bridge requiring mitigation were identified in the report. Further, the draft EIR was reviewed by the City staff and our comments were incorporated into the final document.

IV. RECOMMENDATIONS

Staff recommends:

That the Agency:

1. Direct staff to allocate $455,000 in future RDA resources in the CIP to reimburse ACE for the *actual* construction cost of the bridge streetscape treatment; and

2. Direct staff to allocate 38% of the proposed project cost or $312,098 of future RDA resources in the CIP as City matching funds in the event that a MTA grant is awarded.

That the City Council:

3. Authorize the City Manager or designee to approve a change to the KSA contract to increase the amount by $295,411 for (a) the completion of construction documents for the entire 1.2 mile area along San Gabriel Boulevard from Elm to Central avenues; and (b) provide construction observation and as built drawings for the bridge streetscape treatment to be implemented by ACE;

4. Authorize the bridge streetscape treatment to be incorporated in the bid documents for the San Gabriel Trench Project in the Agreement between the City and ACE; and

5. Authorize the City Manager or his designee to apply for a 2011 MTA Call for Projects grant for $500,000 for the construction of streetscape improvements.