



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

October 16, 2018

# ADOPTED

IN REPLY PLEASE  
REFER TO FILE:

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 October 19, 2018

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

A handwritten signature in black ink, appearing to read "Celia Zavala".

CELIA ZAVALA  
EXECUTIVE OFFICER

Dear Supervisors:

**TRANSPORTATION CORE SERVICE AREA  
VERMONT AND MANCHESTER TRANSIT PRIORITY  
JOINT DEVELOPMENT PROJECT  
AND APPROPRIATION ADJUSTMENT  
(SUPERVISORIAL DISTRICT 2)  
(4 VOTES)**

### **SUBJECT**

Approval of the recommended actions will make available predevelopment funds for the Vermont and Manchester Transit Priority Joint Development Project on the east side of the 8400 and 8500 blocks of South Vermont Avenue in the City of Los Angeles.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed Vermont and Manchester Transit Priority Joint Development Project is exempt from the California Environmental Quality Act pursuant to Section 21155.1 of the California Public Resources Code.
2. Approve \$1,000,000 of funding for the predevelopment of the Vermont and Manchester Transit Priority Joint Development Project from the Second Supervisorial District's Proposition A Local Return Transit Program in the Transit Operations Fund Fiscal Year 2018-19 Budget.
3. Delegate the authority to the Chief Executive Officer, or her designee, to execute a pass-through funding agreement with Los Angeles County Metropolitan Transportation Authority to receive a contribution of \$1,000,000 in support of the

scope of work required under the terms of the Exclusive Negotiation Agreement with SEED Foundation, Inc. for the Vermont and Manchester Transit Priority Joint Development Project.

4. Authorize the Director of Public Works or his designee to receive the Los Angeles County Metropolitan Transportation Authority's pass-through funding for the predevelopment activities estimated to be \$1,000,000 and deposit it in the Second Supervisorial District's Proposition A Local Return Transit Operations Fund for the disbursement to SEED Foundation, Inc.
5. Approve an appropriation adjustment to increase \$2,000,000 in Other Charges by transferring \$1,000,000 from Services and Supplies and \$1,000,000 offset with revenue from Reimbursement of Expense in the Second Supervisorial District's Proposition A Local Return Transit Program in the Transit Operations Fund Fiscal Year 2018-19 Budget to fund the predevelopment activities of the Property.
6. Delegate the authority to the Chief Executive Officer, or her designee, to execute a funding agreement for predevelopment activities in support of the scope of work required under the terms of the Exclusive Negotiation Agreement with SEED Foundation, Inc for the Vermont and Manchester Transit Priority Joint Development Project of up to \$2,000,000.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to approve predevelopment funding for the Vermont and Manchester Transit Priority Joint Development Project (Project).

On December 5, 2017, the Board approved the acquisition of approximately 4.203 acres of real property located on the east side of the 8400 and 8500 blocks of South Vermont Avenue in the City of Los Angeles for the Project. The Project is designed to revitalize the Vermont/Manchester area and the surrounding neighborhood to bring about positive economic and community development. The Project accomplishes many public uses, such as: (1) promoting sustainable, affordable, mass-transit oriented residential, and retail development; (2) providing the County with an opportunity to partner with the Los Angeles County Metropolitan Transportation Authority (Metro) to create a center to train future employees for careers in mass transit; (3) encouraging multiple alternative modes of transportation consistent with potential future Metro transit improvements; (4) creating a transit plaza and a community space that would serve as important public amenities; (5) creating local public amenities and private employment opportunities for nearby

residents; (6) eliminating the property as a source of public nuisances over the past 21 years; and (7) creating a public charter boarding school designed for students who need a 24-hour learning environment to achieve their greatest educational potential.

On June 19, 2018, the Board approved and authorized the Chief Executive Officer (CEO) to negotiate, execute, implement and, if necessary, amend, extend, or terminate a 6-month Exclusive Negotiation Agreement (ENA) with SEED Foundation, Inc. The ENA allows the County and SEED Foundation, Inc., the opportunity to gather specific information about the site, negotiate the parameters and funding structure of the project, and engage in exclusive negotiations to establish the terms and conditions for a lease/agreement. The ENA does not commit the County to any future agreement with the SEED Foundation, Inc. The CEO must return to the Board to execute any lease or additional agreements that result from the negotiations.

The proposed predevelopment activities funding, including the pass-through funding reimbursement from Metro, will contribute toward the capital necessary to gather specific information about the site and prepare development parameters and funding structure of this complex project under the terms of the ENA.

### **Implementation of Strategic Plan Goals**

The Project is consistent with the Countywide Strategic Plan. Specifically, the Project advances the following County goals: (i) Goal I.1.5 – Develop or preserve affordable housing units in the County; (ii) Goal I.2.4 – Support job readiness and increase employment opportunities for youth served by the County; (iii) Goal II.1.3 – Identify and align workforce development programs to provide career pathways for high-needs, priority populations and to support the labor needs of the County's high-growth industry sectors; (iv) Goal II.2.4 – Conduct outreach to high-needs, traditionally underserved populations within the County by supporting safe and comfortable built environments that encourage physical activity and access to healthy food; (v) Goal II.3.2 – Promote diverse, clean and renewable energy systems, support energy efficiency, and support strategies to ensure reliability of the energy network; and (vi) Goal II.3.3 – Create and implement policies and programs to reduce the emission of greenhouse gases from all sectors of our community; ensure that community climate resilience is integrated into our programs and plans; and inspire others to take action.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The predevelopment activities are estimated at \$2,000,000. Upon approval of the recommended appropriation adjustment, sufficient funding will be available in the Second Supervisorial District's Proposition A Local Return Transit Program in the Transit Operations Fund Fiscal Year 2018-19 Budget. These activities will be funded with \$1,000,000 of Second Supervisorial District's Proposition A Local Return funds and \$1,000,000 of funding from the Los Angeles County Metropolitan Transportation Authority.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The CEO was previously authorized by the Board to negotiate, execute, implement and, if necessary, amend, extend, or terminate a 6-month ENA with SEED Foundation, Inc. The proposed funding agreement will provide for the predevelopment activities under the terms of the ENA. The proposed predevelopment funding and pass-through funding agreements will be approved as to form by County Counsel prior to final execution by the CEO or her designee.

### **ENVIRONMENTAL DOCUMENTATION**

The Project as a whole has been determined to be a transit priority project eligible for the Sustainable Communities Project Exemption pursuant to Sections 21155 and 21155.1 of the Public Resources Code. An exemption checklist was prepared to document the proposed project's eligibility for this exemption by meeting all the seven land use criteria, eight environmental criteria, and one additional criterion related to affordable housing. Pursuant to Public Resources Code Section 21155.1(a)(4), a preliminary endangerment assessment was prepared and submitted by Arcadis U.S., Inc.

### **CONTRACTING PROCESS**

The CEO released a Request for Proposals (RFP) for a charter school developer/operator on March 1, 2018. In addition to posting the RFP on the Doing Business with the County site, the RFP was also distributed via e-mail to over 80 additional contacts related to education and school facility development that included local organizations and organizations based in other states throughout the country.

The SEED Foundation, Inc., proposal was the only one received by the due date on April 25, 2018. The proposal met the minimum requirements listed in the RFP and was evaluated by an Evaluation Committee, including representatives from the Department of Children and Family Services, Probation Department, Office of Child Protection, and Metro.

The Honorable Board of Supervisors  
October 16, 2018  
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The CEO negotiated and executed an ENA with SEED Foundation, Inc. The CEO will return to the Board for authorization to execute any lease or other additional agreements that result from the negotiations.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed funding for predevelopment activities is not anticipated to have a significant impact on current services.

**CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Programs Development Division.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mark Pestrella".

MARK PESTRELLA  
Director of Public Works

MP:MER:rp

Enclosure

c: Chief Executive Office (Chia-Ann Yen)  
County Counsel (Rosalinda Cruz)  
Auditor-Controller  
Executive Office

PINK

BA FORM 03/13

BOARD OF  
SUPERVISORS  
OFFICIAL COPY

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT****DEPARTMENT OF PUBLIC WORKS**DEPT'S.  
NO. 690

October 10, 2018

**AUDITOR-CONTROLLER:**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFOR****FY 2018-19****4 - VOTES****SOURCES**

PUBLIC WORKS-TRANSIT OPERATIONS FUND  
CP6-PW-2000-47000 \$1,000,000  
SERVICES AND SUPPLIES  
DECREASE APPROPRIATION

PUBLIC WORKS-TRANSIT OPERATIONS FUND  
CP6-PW-94-9731-47000 \$1,000,000  
REIMBURSEMENT OF EXPENSE  
INCREASE REVENUE

**SOURCES TOTAL: \$ 2,000,000****USES**

PUBLIC WORKS-TRANSIT OPERATIONS FUND  
CP6-PW-5500-47000 \$2,000,000  
OTHER CHARGES  
INCREASE APPROPRIATION

**USES TOTAL: \$ 2,000,000****JUSTIFICATION**

The appropriation adjustment is necessary to fund the predevelopment of the Vermont and Manchester Transit Priority Joint Development Project.

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

*Angelica Cobian*  
AUTHORIZED SIGNATURE ANGELICA COBIAN, CHIEF B/FM

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

# 25

OCT 16 2018

*Celia Zavala*  
CELIA ZAVALA  
EXECUTIVE OFFICER

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR ---

☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO. 041

*Lara*  
OCT - 10 20 18

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

*Chia-Ann L...*  
OCTOBER 10 20 18