

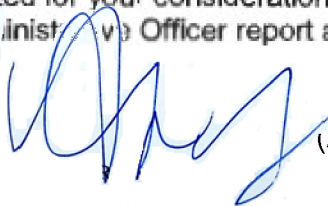
0220-05263-0003

TRANSMITTAL

TO City Council	DATE 6/15/18	COUNCIL FILE NO. 18-0394
FROM The Mayor		COUNCIL DISTRICT All

**NEXUS STUDY OF THE PUBLIC WORKS TRUST FUND
SPECIAL PROJECTS ACCOUNT**

Transmitted for your consideration. See the
City Administration Officer report attached.



(Ana Guerrero) for

MAYOR

RHL-RA:06180149t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

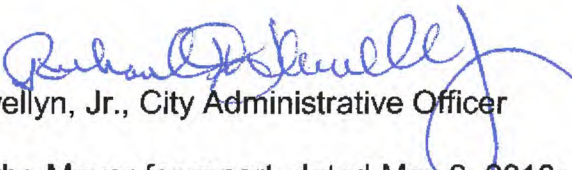
Date: June 15, 2018

CAO File No. 0220-05263-0003

Council File No. 18-0394

Council District: Citywide

To: Mayor

From: 
Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Requests from the Mayor for report, dated May 2, 2018; and request from the Public Works and Gang Reduction Committee for report (C.F.18-0394), dated June 6, 2018.

Subject: **NEXUS STUDY OF THE PUBLIC WORKS TRUST FUND (PWTF) SPECIAL PROJECTS ACCOUNT AND ESTABLISHMENT OF THE PUBLIC WORKS TRUST FUND USE RULES AND GUIDELINES**

RECOMMENDATIONS

That the Mayor and the Council:

- 1) Receive and file the 2018 Public Works Trust Fund (PWTF) Nexus Study;
- 2) Adopt the establishment of the PWTF Use Rules and Guidelines as defined in page two of this report;
- 3) Authorize the BPW, Director of Accounting, to transfer funds consistent with the Mayor and Council actions on this matter, subject to the approval of the CAO, and request the Controller to implement these instructions;
- 4) Authorize the BPW, Director of Accounting to approve the refund of \$30,000 to the current owner, once determined, following City refund guidelines;
- 5) Instruct the Board of Public Works to report back on potential reasonable relationships that may exist for the remaining balance of \$6,054,886.06 in Account No. 4873;
- 6) Authorize the fund use and transfer of PWTF funds in the amount of \$292,000 from the unrestricted "Unknown Council District" category to cover the 201-8-19 Adopted Budget shortfall;
- 7) Instruct the Executive Officer of the BPW to submit quarterly reports to the Mayor, Council and the CAO, identifying the available funds that can be used for Public Works

Improvements/Projects within each Council District;

- 8) Authorize the Executive Officer of the BPW to make any technical adjustments as necessary and consistent with the Mayor and Council actions on this matter, subject to the approval of the CAO, and request the Controller to implement these instructions.

SUMMARY

The PWTF was created by the City of Los Angeles in the early 1940s to hold a variety of fee deposits related to Public Works projects. The PWTF operates similar to a bank or escrow account where funds (receipts, deposits, fees, etc.) are held and disbursed for a specific purpose or refunded. Deposits are received and tracked individually, spent for intended purposes as authorized, transferred to the General Fund and other funds as reimbursement for work performed by the City, and refunded to the original depositors or permittees, when appropriate. The PWTF currently holds deposits from approximately 12,000 depositors spread across 29 various appropriation accounts, totaling \$125 million.

The Board of Public Works conducted a Nexus Study on the Special Projects Account of the PWTF. The funds in this restricted account have been collected over decades from developers, contractors, and property owners. Some of the deposits in this account represent monies from defaulted bonds and settlements. As of June 30, 2016 this account was valued at approximately \$12 million, including 360 deposits. Some of these deposits were decades old and detailed information about them was not readily available. As a result, the Board and the Office of Accounting could not process these deposits any further. The goal of the study was to examine the 360 deposits in this account and to explore options to use these funds. This independent review of the funds would determine the reasonable connection, i.e., Nexus, between the fund's original purpose/location and potential uses of the funds.

The Nexus Study was completed and released by the Board of Public Works on February 28, 2018. The PWTF Nexus Study recommended the following PWTF Use Rules and Guidelines for funds in the Special Projects Account:

The PWTF Use Rules and Guidelines:

- **Eligibility Determination:** If a deposit is neither used for the specific purpose and project it was intended for, nor could be refunded to the depositor, then those deposited funds shall require determination of "reasonable relationship" or "nexus" prior to its disposition of funds.
- **Eligible Use A:** If the project for which the fee collected was intended is ongoing, then the deposit should be applied to the work underway for that project, or project(s) with like purpose at the original location if available, or within the Council District as the geographical nexus/boundary.
- **Eligible Use B:** If the project for which the fee was intended, or a like purpose project within the

geographical nexus/boundary has been completed, then the deposit should be applied to reimburse the City's cost of completing that project.

- Eligible Use C: If neither option applies (project type or location are unknown), then the deposit should be used to fund projects that have a close geographical nexus to the original intent in the permit, using the Council District as the geographical boundary.
- Eligible Use D: Pre-1989 deposits have greater flexibility in determination of a reasonable relationship with minimal to no restrictions.

This Office and the City Attorney concur with the recommended PWTF Use Rules and Guidelines.

Based on these Rules and Guidelines, the PWTF Nexus Study determined that \$5,895,871.43 or 132 deposits were available for the City's immediate use. In addition, one deposit in the amount of \$30,000 was determined as refundable. The remaining balance of \$6,054,886.06 (about 227 deposits) was not examined due to timing and resource limitations.

As part of the 2018-19 proposed budget the Board recommended these available funds be used for eligible capital projects. The Board provided the PWTF Nexus Study final draft to this Office on February 2, 2018. The draft report included the table of eligible for use deposits of \$5.9 million, which were broken down by the project type and geographic boundary or Council District (Attachment A). The Board confirmed that this table was not going to change. Based on the draft report this Office recommended to the Mayor using the available funds contingent on two conditions:

1. The funds should be used for the same purpose that the original deposit was intended for.
2. The funds should be used within the same Council District as the original project that the deposit was made for.

The Board released the final PWTF Nexus Study Report on February 28, 2018 that also included the table of eligible for use deposits of \$5.9 million the table of eligible for use deposits of \$5.9 million (Attachment B). This Office asked again if there were any changes made to the draft and the Board's answer was negative. However, on June 5, 2018 this Office noticed a change in the category of the available funds in a few Council Districts. The change in the category restricts the use of available funds. The most significant change was in Council District 2:

February 2, 2018		February 28, 2018	
Project Type	Available for BPW Action	Project Type	Available for BPW Action
CD2	\$ 436,698	CD2	\$ 436,698
Street Improvement	\$ 436,698	Street lights	\$ 292,000
		Street Improvement	\$ 144,698

The 2018-19 Adopted Budget appropriated the total amount of \$436,698 for Pavement Preservation (please see page 187 of the 2018-19 Proposed Budget). However, the Street Light category is not eligible for pavement preservation and street improvement projects. This change creates a discrepancy with the 2018-19 Adopted Budget and a \$292,000 shortfall in the Pavement Preservation budget. It is recommended that this be offset by using \$292,000 from the "Unknown Council District" category. The 2018-19 Adopted Budget appropriated the total amount of \$5,143,525 from the available \$5,895,871; which includes \$100,000 for Contractual Services to examine the remaining deposits. A balance of \$757,397 remains in the PWTF Special Projects Account pending further Council action.

THE BOARD OF PUBLIC WORKS RECOMMENDATIONS

The Board has requested that the City Council and Mayor approve and adopt a series of recommendations described below and this Office has added its recommendations:

The Board's Request	CAO's Recommendation										
1. Receive and file the 2018 Public Works Trust Fund (PWTF) Nexus Study.	<u><i>This Office concurs.</i></u>										
2. Adopt the establishment of the PWTF Use Rules and Guidelines.	<u><i>This Office concurs.</i></u>										
<p>3. Concur with the finding and determination that a reasonable relationship (Nexus) exist for funds totaling \$5,895,871.43 (as listed in Appendices I through IV in the Nexus Study) when said funds is</p> <p>(a) used for administration, original or like-kind purpose, within a reasonable boundary, and/or other specific factors and variables described in the Nexus Study and is</p> <p>(b) in the City's best interest to implement various Public Works projects and services based on the proposed PWTF Use Rules and Guidelines;</p>	<p><u><i>This Office concurs.</i></u> The 2018-19 Adopted Budget appropriated \$5,143,525 of the available funds (please see Attachment A for detailed table of appropriations). In doing so, the Mayor and Council appropriated funds consistent with the Nexus Study recommendations. The 2018-19 Adopted Budget appropriations of the available funds include:</p> <table border="1" data-bbox="786 1545 1497 1759"> <thead> <tr> <th>2018-19 Budget Appropriation</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Pavement Preservation</td> <td>\$ 3,298,193</td> </tr> <tr> <td>CIEP</td> <td>\$ 1,745,332</td> </tr> <tr> <td>BPW Contractual Services</td> <td>\$ 100,000</td> </tr> <tr> <td>Total Appropriation</td> <td>\$ 5,143,525</td> </tr> </tbody> </table> <p>A balance of \$757,397 remains in the PWTF Special Projects Account pending further Council action.</p>	2018-19 Budget Appropriation	Amount	Pavement Preservation	\$ 3,298,193	CIEP	\$ 1,745,332	BPW Contractual Services	\$ 100,000	Total Appropriation	\$ 5,143,525
2018-19 Budget Appropriation	Amount										
Pavement Preservation	\$ 3,298,193										
CIEP	\$ 1,745,332										
BPW Contractual Services	\$ 100,000										
Total Appropriation	\$ 5,143,525										

The Board's Request	CAO's Recommendation
<p>4. Authorize the fund use and transfer of PWTF funds in the amount of \$5,895,871.43 as follows:</p> <p>a. Approve the first annual Administrative and Management (Salary) Expense of \$75,000 out of the \$487,950.33 as listed in Nexus Study Appendix I (Option A) and instruct the Executive Officer of the Board of Public Works (BPW) to seek Board approval(s) for additional amounts from this category.</p> <p>b. Use on Any Project - To fund Public Works Improvements/Projects in locations (either at specified project location or Council District of the project) to be determined by factors and variables listed in Nexus Study Appendix II, associated with the specific deposit up to \$1,533,531.73 (Option B);</p> <p>c. Use in Any Council District - To fund Public Works Improvements/Projects for use in any location (no specific Council District) for Public Works Improvements/Projects as determined and documented in Nexus Study Appendix III with the specific deposit up to \$20,000.00 (Option C); and</p> <p>d. Use on Specific Project Type and Nexus to fund Public Works Improvements/Projects based on variables listed in Nexus Study Appendix IV, for the specified Nexus location (either at specified project location or Council District of the project) and project type documented with the specific deposit up to \$3,854,389.37 (Option D).</p>	<p><i>This Office does not recommend;</i> the 2018-19 Adopted Budget has already appropriated \$5,143,525 of the available funds (please see Attachment A for detailed table of appropriations), and the Mayor and Council did not approve salary funds nor staff requested by the Board.</p> <p>A balance of \$757,397 remains in the PWTF Special Projects Account pending further Council action.</p>

The Board's Request	CAO's Recommendation
<p>5. AUTHORIZE the Executive Officer of the BPW to:</p> <p>a. Approve the transfer of funds from the PWTF, Fund No. 834/50, Account No. 4873 to the BPW, Fund No. 100/74, Account 001010 Salaries General, for administrative and fund management expenses approved in recommendation 4a above, subject to approval by the BPW;</p> <p>b. Approve the transfer of funds from the PWTF, Fund No. 834/50, Account No. 4873, to the Capital Improvement Expenditure Program, Fund No. 100/54, Accounts TBD for specific Public Works projects as deemed appropriate by the BPW based on (i) factors and variables or (ii) location and project type, and (iii) in accordance to the established PWTF Use Rules and Guidelines at an amount not-to-exceed the limits approved in recommendation 4b, 4c, and 4d above;</p> <p>c. Approve the refund of \$30,000 to the current owner, once determined, following City refund guidelines;</p> <p>d. Report back on potential reasonable relationships that may exist for the remaining balance of \$6,054,886.06 in Account No. 4873 and all other accounts; and,</p> <p>e. Make technical corrections as may be necessary to carry out the purpose and intent of this report and forward request to the Controller and/or City Administrative Officer as-needed.</p>	<p>a. <u>This Office does not recommend</u>; the 2018-19 Adopted Budget has already appropriated \$100,000 of the available funds for Contractual Services (please see Attachment A for detailed table of appropriations), and the Mayor and Council did not approve salary funds nor staff requested by the Board.</p> <p>b. <u>This Office does not recommend</u>; the 2018-19 Adopted Budget has already appropriated \$1,745,332 of the available funds for Capital Improvement Projects (please see Attachment A for detailed table of appropriations).</p> <p>c. <u>This Office concurs.</u></p> <p>d. <u>This Office concurs</u>; the 2018-19 Adopted Budget has already appropriated \$100,000 of the available funds for Contractual Services for this purpose (please see Attachment A for detailed table of appropriations).</p> <p>e. <u>This Office does not recommend</u>; This Office however recommends following corrected version: "Authorize the BPW, Director of Accounting, to transfer and/or refund funds consistent with the Mayor and Council actions on this matter, subject to the approval of the CAO, and request the Controller to implement these instructions".</p>

The Board's Request	CAO's Recommendation
<p>6. Authorize the BPW, Director of Accounting, to transfer and/or refund funds from the PWTF upon request from the Executive Officer of the BPW.</p>	<p>This request in its current form is inconsistent with the City Charter and provides no limitation upon the Board Executive Officer. <u><i>This Office recommends following corrected version:</i></u> "Authorize the BPW, Director of Accounting, to transfer consistent with the Mayor and Council actions on this matter, subject to the approval of the CAO, and request the Controller to implement these instructions". The Board already has authority and defined process for refunds.</p>
<p>7. Instruct the Executive Officer of the BPW to:</p> <ul style="list-style-type: none"> a. Establish a pre-qualified on-call contractor list for use of these funds and types of projects with the intent of expanding diversity by creating a more "sheltered marketplace;" b. Require all projects that are approved for this funding utilize the pre-qualified on-call contractor list to be approved; and, c. Report back on any resources necessary to implement the above requests. 	<p><u><i>This Office does not recommend;</i></u> the 2018-19 Adopted Budget has already appropriated \$5,143,525 of the available funds for specific projects and departments (please see Attachment A and B for detailed table of appropriations).</p>
<p>8. Authorize resolution authority for one Senior Management Analyst I (Class Code: 9171-1) at the BPW to assist in management of the PWTF, and APPROVE the continuation of the resolution authority in 2018-19, if not included in the 2018-19 Adopted Budget.</p>	<p><u><i>This Office does not recommend;</i></u> the 2018-19 Adopted Budget has already appropriated \$100,000 of the available funds for Contractual Services for this purpose, and the Mayor and Council did not approve salary funding nor staff requested by the Board (please see Attachment A for detailed table of appropriations).</p>
<p>9. Consider distributing and prioritizing allocation of remaining funds of \$412,950.33 in the "unknown Council District" category, after an initial \$75,000 is dedicated for initial administrative cost, to the bottom four Council Districts (i.e. 7, 8, 9, and 10) with the lowest allocation amounts.</p>	<p><u><i>This Office does not recommend;</i></u> This Office recommends transfer of PWTF funds in the amount of \$292,000 from the unrestricted "Unknown Council District" category to cover the 2018-19 Adopted Budget shortfall.</p>

FISCAL IMPACT STATEMENT

No General Fund Impact. Funds available for Council Discretionary use within the Public Works Trust Fund are reduced by \$292,000, from \$341,409 to \$49,409. The Recommendations in this report comply with the City's Financial Policies as one-time revenues will not support ongoing staff.

RHL:RA:06180149
Attachments

Public Works Trust Fund Nexus Study

February 2, 2018

Project Type	Available for BPW Action	2018-19 Budget	Amount	Pavement Preservation	CIEP	Remaining Balance
CD1	\$ 307,024.00			\$ 304,924	\$ -	\$ 2,100.00
General Improvement	\$ 13,000.00	Pavement Preservation	\$ 13,000			\$ -
Sidewalk	\$ 2,100.00					\$ 2,100.00
Street Improvement	\$ 291,924.00	Pavement Preservation	\$ 291,924			\$ -
CD2	\$ 436,698.00			\$ 436,698	\$ -	\$ -
Street Improvement	\$ 436,698.00	Pavement Preservation	\$ 436,698			\$ -
CD3	\$ 133,050.90			\$ 133,051	\$ -	\$ -
Street Improvement	\$ 133,051.00	Pavement Preservation	\$ 133,051			\$ -
CD4	\$ 643,246.09			\$ -	\$ 427,896	\$ 215,350.00
Route study	\$ 10,150.00					\$ 10,150.00
Trees	\$ 20,000.00					\$ 20,000.00
Street lights	\$ 164,000.00					\$ 164,000.00
Sidewalk	\$ 21,200.00					\$ 21,200.00
Street Improvement	\$ 185,734.02	Verde Oak Dr (2252) Bulkhead	\$ 427,896			\$ -
Unknown	\$ 242,162.07					\$ -
CD5	\$ 209,931.67			\$ 195,932	\$ -	\$ 14,000.00
General Improvement	\$ 17,884.90	Pavement Preservation	\$ 17,885			\$ -
Route study	\$ 14,000.00					\$ 14,000.00
Street Improvement	\$ 165,013.30	Pavement Preservation	\$ 165,013			\$ -
Unknown	\$ 13,033.47	Pavement Preservation	\$ 13,033			\$ -
CD6	\$ 289,871.84			\$ -	\$ 289,872	\$ -
Street Improvement	\$ 176,477.30	Sheldon Arleta Park Sidewalk Improvement - Sharp Ave	\$ 289,872			\$ -
Street lights	\$ 87,603.77					\$ -
Unknown	\$ 25,790.77					\$ -
CD7	\$ 105,665.95			\$ 103,916	\$ -	\$ 1,750.00
Street Improvement	\$ 103,916.00	Pavement Preservation	\$ 103,916			\$ -
Trees	\$ 1,750.00					\$ 1,750.00
CD8	\$ 1,100.00			\$ -	\$ 1,100	\$ -
Sidewalk	\$ 1,100.00	Western Avenue Expo Line Station	\$ 1,100			\$ -
CD9	\$ 7,542.00			\$ -	\$ -	\$ 7,542.00
Sidewalk	\$ 7,542.00					\$ -
CD10	\$ 100,000.00			\$ -	\$ 100,000	\$ -
Street Improvement	\$ 45,000.00	Cochran Ave (2520) - Culvert at Cul-de-sac	\$ 100,000			\$ -
Unknown	\$ 55,000.00					\$ -
CD11	\$ 698,890.57			\$ 698,861	\$ -	\$ -
Street Improvement	\$ 582,156.57	Pavement Preservation	\$ 582,156			\$ -
Unknown	\$ 116,695.00	Pavement Preservation	\$ 116,695			\$ -
CD12	\$ 1,024,030.20			\$ 173,530	\$ 700,000	\$ 150,500.00
Sidewalk	\$ 500,500.00	Sanborn Ave Reconstruction near Washington Bl	\$ 350,000			\$ 150,500.00
Street Improvement	\$ 425,430.20	Sanborn Ave Reconstruction near Washington Bl	\$ 350,000			\$ -
Unknown	\$ 98,100.00	Pavement Preservation	\$ 75,430			\$ -
CD13	\$ 112,660.00			\$ 111,660	\$ -	\$ 1,000.00
General Improvement	\$ 48,260.00	Pavement Preservation	\$ 48,260			\$ -
Sidewalk	\$ 1,000.00					\$ 1,000.00
Street Improvement	\$ 63,400.00	Pavement Preservation	\$ 63,400			\$ -
CD14	\$ 226,463.71				\$ 226,464	\$ -
Sidewalk	\$ 74,714.88	Via Marisol Street Repair	\$ 226,464			\$ -
Street Improvement	\$ 151,748.83					\$ -
CD15	\$ 1,068,001.07			\$ 1,055,491	\$ -	\$ 12,510.00
Sidewalk	\$ 8,960.00					\$ 8,960.00
Street Improvement	\$ 270,168.63	Pavement Preservation	\$ 270,169			\$ -
Street lights	\$ 3,550.00					\$ 3,550.00
Unknown	\$ 785,322.44	Pavement Preservation	\$ 785,322			\$ -
Council District Unkn	\$ 540,550.33			\$ 84,141	\$ -	\$ 356,409.63
General Improvement	\$ 17,600.00	Pavement Preservation	\$ 17,600			\$ -
Street Improvement	\$ 66,540.70	Pavement Preservation	\$ 66,541			\$ -
Unknown	\$ 456,409.63	BPW Contractual Services	\$ 100,000			\$ 356,409.63
TOTALS	\$ 5,904,686.33		\$ 5,143,525	\$ 3,298,193	\$ 1,745,332	\$ 761,161.63

2018-19 Budget Appropriation	Amount
Pavement Preservation	\$ 3,298,193
CIEP	\$ 1,745,332
BPW Contractual Services	\$ 100,000
Total Appropriation	\$ 5,143,525

Public Works Trust Fund Nexus Study

February 28, 2018

Project Type	Available for BPW Action	2018-19 Budget	Amount	2018-19 Budget PP	CIEP	Remaining Balance
CD1	\$ 307,024			\$ 304,924	\$ -	\$ 2,100
General Improvement	\$ 13,000	Pavement Preservation	\$ 13,000			\$ -
Sidewalk	\$ 2,100					\$ 2,100
Street Improvement	\$ 291,924	Pavement Preservation	\$ 291,924			\$ -
CD2	\$ 436,698			\$ 436,698	\$ -	\$ 292,000
Street lights	\$ 292,000					\$ 292,000
Street Improvement	\$ 144,698	Pavement Preservation	\$ 144,698			\$ -
CD3	\$ 133,051			\$ 133,051	\$ -	\$ -
Street Improvement	\$ 133,051	Pavement Preservation	\$ 133,051			\$ -
CD4	\$ 653,391				\$ 427,896	\$ 225,495
Trees	\$ 1,035					\$ 1,035
Street lights	\$ 6,000					\$ 6,000
Sidewalk	\$ 1,500					\$ 1,500
Street Improvement	\$ 603,856	Verde Oak Dr (2252) Bulkhead	\$ 427,896			\$ 175,960
Unknown	\$ 41,000					\$ 41,000
CD5	\$ 199,932			\$ 195,932	\$ -	\$ -
General Improvement	\$ 45,370	Pavement Preservation	\$ 45,370			\$ -
Street Improvement	\$ 136,676	Pavement Preservation	\$ 136,676			\$ -
Unknown	\$ 17,885	Pavement Preservation	\$ 17,885			\$ -
CD6	\$ 289,872				\$ 289,872	\$ -
Street Improvement	\$ 197,868	Sheldon Arleta Park Sidewalk Improvement - Sharp Ave	\$ 289,872			\$ -
Sidewalk	\$ 4,400					\$ -
Unknown	\$ 87,604					\$ -
CD7	\$ 105,666			\$ 103,916	\$ -	\$ 1,750
Street Improvement	\$ 103,916	Pavement Preservation	\$ 103,916			\$ -
Unknown	\$ 1,750					\$ 1,750
CD8	\$ 1,100				\$ 1,100	\$ -
Sidewalk	\$ 1,100	Western Avenue Expo Line	\$ 1,100			\$ -
CD9	\$ 7,542				\$ -	\$ 7,542
Sidewalk	\$ 7,542					\$ -
CD10	\$ 100,000				\$ 100,000	\$ -
Street Improvement	\$ 100,000	Cochran Ave (2520) - Culvert at Cul-de-sac	\$ 100,000			\$ -
CD11	\$ 698,851			\$ 698,851	\$ -	\$ -
Street Improvement	\$ 678,851	Pavement Preservation	\$ 678,851			\$ -
Unknown	\$ 20,000	Pavement Preservation	\$ 20,000			\$ -
CD12	\$ 1,039,030			\$ 173,530	\$ 700,000	\$ 165,500
Rout Study	\$ 56,250					\$ 56,250
General Improvement	\$ 500					\$ 500
Street Improvement	\$ 952,280	Sanborn Ave Reconstruction	\$ 700,000			\$ 78,750
Unknown	\$ 30,000	Pavement Preservation	\$ 173,530			\$ -
CD13	\$ 112,660			\$ 111,660	\$ -	\$ 6,500
Unknown	\$ 1,000	Pavement Preservation	\$ 1,000			\$ -
Sidewalk	\$ 6,500					\$ 6,500
Street Improvement	\$ 105,160	Pavement Preservation	\$ 105,160			\$ -
CD14	\$ 226,464				\$ 226,464	\$ -
Sidewalk	\$ 1,800					\$ -
General Improvement	\$ 15,476	Via Marisol Street Repair	\$ 226,464			\$ -
Street Improvement	\$ 209,188					\$ -
CD15	\$ 1,059,041			\$ 1,055,491	\$ -	\$ 7,100
Sidewalk	\$ 7,100					\$ 7,100
Street Improvement	\$ 343,613	Pavement Preservation	\$ 343,613			\$ -
Unknown	\$ 708,328	Pavement Preservation	\$ 708,328			\$ -
Council District Unkno	\$ 525,550			\$ 84,141	\$ -	\$ 49,409
Trees	\$ 20,000	Pavement Preservation	\$ -			\$ 20,000
Street Improvement	\$ 17,600	Pavement Preservation	\$ 17,600			\$ -
Unknown	\$ 487,950	Pavement Preservation	\$ 66,541			\$ -
		Transfer to CD2 PP to cover the budget shortfall	\$ 292,000			\$ -
		BPW Contractual Services	\$ 100,000			\$ 29,409
TOTALS	\$ 5,895,871		\$ 5,138,475	\$ 3,298,194	\$ 1,745,332	\$ 757,397

**BOARD OF PUBLIC WORKS
MEMBERS**

KEVIN JAMES
PRESIDENT

HEATHER MARIE REPENNING
VICE PRESIDENT

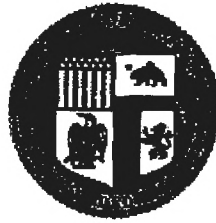
MICHAEL R. DAVIS
PRESIDENT PRO TEMPORE

JOEL F. JACINTO
COMMISSIONER

AURA GARCIA
COMMISSIONER

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

**OFFICE OF THE
BOARD OF PUBLIC WORKS**

DR. FERNANDO CAMPOS
EXECUTIVE OFFICER

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ROOM 361, CITY HALL
LOS ANGELES, CA 90012

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<http://bpw.lacity.org>

May 2, 2018

BPW-2018-0361

City Council
Room No. 395
City Hall

Honorable Members:

NEXUS STUDY OF THE PUBLIC WORKS TRUST FUND ACCOUNT NO. 4873 AND ESTABLISHMENT OF PUBLIC WORKS TRUST FUND USE RULES AND GUIDELINES

Transmitted herewith is the report from the Board of Public Works on the Nexus Study of the Public Works Trust Fund Account No. 4873 And Establishment of Public Works Trust Fund Use Rules and Guidelines which this Board has adopted, recommends the City Council and Mayor approve and adopt a series of recommendations describe below:

1. RECEIVE AND FILE the 2018 Public Works Trust Fund (PWTF) Nexus Study;
2. ADOPT the establishment of the PWTF Use Rules and Guidelines;
3. CONCUR with the finding and determination that a reasonable relationship (Nexus) exist for funds totaling \$5,895,871.43 (as listed in Appendices I through IV in the Nexus Study) when said funds is (a) used for administration, original or like-kind purpose, within a reasonable boundary, and/or other specific factors and variables described in the Nexus Study and is (b) in the City's best interest to implement various Public Works projects and services based on the proposed PWTF Use Rules and Guidelines
4. AUTHORIZE the fund use and transfer of PWTF funds in the amount of \$5,895,871.43 as follows:
 - a. Approve the first annual Administrative and Management (Salary) Expense of \$75,000 out of the \$487,950.33 as listed in Nexus Study Appendix I (Option A) and instruct the Executive Officer of the Board of Public Works (BPW) to seek Board approval(s) for additional amounts from this category.
 - b. Use on Any Project – To fund Public Works Improvements/Projects in locations (either at specified project location or Council District of the project) to be determined by factors and variables listed in Nexus Study Appendix II, associated with the specific deposit up to \$1,533,531.73 (Option B);
 - c. Use in Any Council District – To fund Public Works Improvements/Projects for use in any location (no specific Council District) for Public Works Improvements/Projects as determined and documented in Nexus Study Appendix



- III with the specific deposit up to \$20,000.00 (Option C); and
- d. Use on Specific Project Type and Nexus – To fund Public Works Improvements/Projects based on variables listed in Nexus Study Appendix IV, for the specified Nexus location (either at specified project location or Council District of the project) and project type documented with the specific deposit up to \$3,854,389.37 (Option D).
5. AUTHORIZE the Executive Officer of the BPW to:
- a. Approve the transfer of funds from the PWTF, Fund No. 834/50, Account No. 4873 to the BPW, Fund No. 100/74, Account 001010 Salaries General, for administrative and fund management expenses approved in recommendation 4a above, subject to approval by the BPW;
 - b. Approve the transfer of funds from the PWTF, Fund No. 834/50, Account No. 4873, to the Capital Improvement Expenditure Program, Fund No. 100/54, Accounts TBD for specific Public Works projects as deemed appropriate by the BPW based on (i) factors and variables or (ii) location and project type, and (iii) in accordance to the established PWTF Use Rules and Guidelines at an amount not-to-exceed the limits approved in recommendation 4b, 4c, and 4d above;
 - c. Approve the refund of \$30,000 to the current owner, once determined, following City refund guidelines;
 - d. Report back on potential reasonable relationships that may exist for the remaining balance of \$6,054,886.06 in Account No. 4873 and all other accounts.
 - e. Make technical corrections as may be necessary to carry out the purpose and intent of this report and forward request to the Controller and/or City Administrative Officer as-needed.
6. AUTHORIZE the BPW, Director of Accounting, to transfer and/or refund funds from the PWTF upon request from the Executive Officer of the BPW;
7. INSTRUCT the Executive Officer of the BPW to:
- a. Establish a pre-qualified on-call contractor list for use of these funds and types of projects with the intent of expanding diversity by creating a more “sheltered marketplace;”
 - b. Require all projects that are approved for this funding utilize the pre-qualified on-call contractor list to be approved; and,
 - c. Report back on any resources necessary to implement the above requests.
8. AUTHORIZE resolution authority for one (1) Senior Management Analyst I (Class Code: 9171-1) at the BPW to assist in management of the PWTF, and APPROVE the continuation of the resolution authority in 2018-19, if not included in the 2018-19 Adopted Budget; and
9. CONSIDER distributing and prioritizing allocation of remaining funds of \$412,950.33 in the “unknown Council District” category, after an initial \$75,000 is dedicated for initial administrative cost, to the bottom four Council Districts (i.e. 7, 8, 9, and 10) with the lowest allocation amounts.

FISCAL IMPACT

Funding in the amount of \$5,895,871.43 is proposed to be available for immediate use upon finding and determining that a reasonable relationship (nexus) exist for deposits, listed in Appendices I through IV in the Public Works Trust Fund Nexus Study, between the deposit's original purpose/location and use of said funds. If approved and adopted, \$4,638,565.84 represents post-1989 deposits and \$1,257,305.59 represents pre-1989 deposits, which majority of funds will be transferred to the City's CIEP, or other fund location as appropriate, and a small portion to reimburse the Board's salary amount. One deposit will be refunded at \$30,000.

Sincerely,



DR. FERNANDO CAMPOS,
Executive Officer, Board of Public Works

FC:jc



Council District: ALL

Report No: **1BPW-2018-0361**

DEPARTMENT OF PUBLIC WORKS

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California


AS AMENDED**

MAY 2, 2018

AND REFERRED TO THE CITY COUNCIL
MAY 02 2018

AND REFERRED TO THE MAYOR

HONORABLE MEMBERS OF THE
BOARD OF PUBLIC WORKS


Executive Officer
Board of Public Works

NEXUS STUDY OF THE PUBLIC WORKS TRUST FUND ACCOUNT NO. 4873 AND
ESTABLISHMENT OF PUBLIC WORKS TRUST FUND USE RULES AND GUIDELINES

RECOMMENDATIONS:

That the Board of Public Works, subject to approval by the Los Angeles City Council (City Council) and Mayor:

1. APPROVE AND FORWARD this report, with its attachments to the City Council and Mayor, with the recommendation that the City Council, subject to the concurrence of the Mayor, to (a) receive and file the Public Works Trust Fund Nexus Study, (b) adopt the establishment of the Public Works Trust Fund Use Rules and Guidelines, (c) concur with the finding and determination that a reasonable relationship (Nexus) exist for funds in the amount of \$5,895,871.43 when said funds is used for administration, original or like-kind purpose, within a reasonable boundary, and/or other specific factors and variables described in the Nexus Study, and (d) authorize a series of recommendations to manage said funds and implement Public Works projects and services;
2. RECEIVE AND FILE the 2018 Public Works Trust Fund Nexus Study;
3. ADOPT the establishment of the Public Works Trust Fund Use Rules and Guidelines;
4. FIND that (a) the proposed use of fund deposits in the amount of \$5,895,871.43 when originally collected and received were based on ordinances, policies, and/or codes pre-established by the City to have a "relationship" between the purpose and intended use, and (b) it is in the City's best interest to implement various Public Works projects and services based on this pre-established "relationship" to serve as a public good;
5. DETERMINE that a reasonable relationship (Nexus) exists and supported for deposits, listed in Appendices I through IV in the Public Works Trust Fund Nexus Study, between the deposit's original purpose/location and use of said funds inasmuch as \$4,638,565.84 represents available deposits/fees collected post-1989 to fund public works projects and services based on the original deposit/fee intent and nexus to the specified or non-specified project type and location (boundary), and \$1,257,305.59 represents available deposits/fees collected pre-1989 to fund Public Works projects and services, which the latter has greater fund use flexibility.

6. AUTHORIZE the fund use and transfer of Public Works Trust Funds in the amount of \$5,895,871.43 as follows:

- a) ~~Administrative and Management (Salary) Expense – To fund the management and administration of the Public Works Trust Fund as listed in Nexus Study Appendix I up to \$487,950.33 (Option A);~~ **see page 15
- b) Use on Any Project – To fund Public Works Improvements/Projects in locations (either at specified project location or Council District of the project) to be determined by factors and variables listed in Nexus Study Appendix II, associated with the specific deposit up to \$1,533,531.73 (Option B);
- c) Use in Any Council District – To fund Public Works Improvements/Projects for use in any location (no specific Council District) for Public Works Improvements/Projects as determined and documented in Nexus Study Appendix III with the specific deposit up to \$20,000.00 (Option C); and
- d) Use on Specific Project Type and Nexus – To fund Public Works Improvements/Projects based on variables listed in Nexus Study Appendix IV, for the specified Nexus location (either at specified project location or Council District of the project) and project type documented with the specific deposit up to \$3,854,389.37 (Option D).

7. AUTHORIZE the Executive Officer of the Board of Public Works to:

- a) Approve the transfer of funds from the Public Works Trust Fund No. 834, Department 50, Account No. 4873, to the Board of Public Works Fund 100, Department 74, Salary Account 001010 for administrative and fund management (salary) expenses approved in recommendation 6a above; **see page 15
- b) Approve the transfer of funds from the Public Works Trust Fund No. 834, Department 50, Account No. 4873, to the City's Capital Improvement Expenditure Plan (Fund No. 100/Dept. 54) for specific Public Works projects as deemed appropriate by the Board of Public Works based on (i) factors and variables or (ii) location and project type, and (iii) in accordance to the established Public Works Trust Fund Use Rules and Guidelines at an amount not-to-exceed the limits approved in recommendation 6b, 6c, and 6d above;
- c) Approve the refund of \$30,000.00 to the current owner, once determined, following City refund guidelines in compliance with City policy, Controller guidelines, and CA Mitigation Fee Act (see Appendix V or Option E of the Public Works Trust Fund Nexus Study).
- d) Further examine the remaining balance of \$6,054,886.06 in Account No. 4873 and report back on potential reasonable relationship(s) that may exist, if any, including review of all other accounts within the Public Works Trust Fund; and
- e) Make technical corrections as may be necessary to carry out the purpose and intent of this report and forward request to the Controller and/or City Administrative Officer as-needed.

8. AUTHORIZE the Board of Public Works, Director of the Office of Accounting to transfer and/or refund funds from the Public Works Trust Fund upon request from the Board of Public Works, Executive Officer;
9. AUTHORIZE resolution authority for one Senior Management Analyst I (Class Code 9171-1) position at the Board of Public Works to assist in the management of the Public Works Trust Funds, and approve the continuation of the resolution authority in Fiscal Year 2018/19 if not included in the adopted Fiscal Year 2018/19 budget; and
10. REQUEST the Office of the City Attorney to provide any advice and/or opinions to the Board of Public Works that may be necessary to implement the recommendations in this report.

** See page 15 for amendments.

ATTACHMENTS:

1. Public Works Trust Fund Nexus Study Account No. 4873 by the Bronner Group, LLC.;
2. Map Pinpoint of Available Funds by Project Location Proximity;
3. Public Works Trust Fund Use Rules and Guidelines; and
4. Position Description – Senior Management Analyst I (Class Code 9171-1).

DISCUSSION:

BACKGROUND

In the early 1940's, the City of Los Angeles (City) created the Department of Public Works, Public Works Trust Fund (PWTF) with fiduciary governing oversight assigned to the Board of Public Works (Board). As of June 30, 2016 and 2017, the PWTF balance was approximately \$107.6 million and \$124.7 million, respectively. The PWTF holds a variety of deposits (approximately 12,000) from receipts, deposits, fees, etc. related to Public Works projects and operates like a bank or escrow account where funds are held and disbursed for a specific purpose or refunded. These funds are typically collected from developers, contractors, and property owners yet some deposits represent monies from defaulted bonds, cash in-lieu of bond deposits, fines, and settlements.

The Fiscal Year 2017/18 budget funded a Nexus Study of the Public Works Trust Fund (PWTF) focused on the (1) examination of one specific account (Special Projects Account No. 4873) with 360 deposits valued at approximately \$12 million as of June 30, 2016, and (2) exploration of policy options that could be available to the Board of Public Works (Board), Mayor, and City Council to use these funds if a reasonable relationship could be established between the deposit's original purpose/location and potential uses of said funds, such as funding similar or like-kind public works projects and services.

The Nexus Study required four major deliverables (see Attachment 1):

1. Benchmarking Study - To understand how other California municipalities manage fee deposits collected and their experience, if any, regarding the State of California's Mitigation Fee Act (MFA) of 1989;
2. Special Projects Deposit Review – To provide actions needed to manage funds and assess what qualifies as a "reasonable relationship," or "nexus," for fund use according to the State of CA Mitigation Fee Act of 1989.
3. Fund Use Policy Options - To provide the Board options for consideration to establish rules and guidelines in the disposition of fund deposits.
4. Recommendations and Roadmap – To provide the Executive Officer and Board an action plan with observations, analysis, and recommendations for improving procedures and systems to manage fee deposits collected.

In brief, the PWTF Nexus Study determined that 132 deposits (see Attachment 2 for pinpoint Map of project general area locations) are available for use at an aggregate total of \$5,895,871.43, which represents approximately 49% of the total Special Project deposits out of \$11,980,757.49. In addition, one deposit in the amount of \$30,000 is determined as refundable. The remaining balance of \$6,054,886.06 (about 227 deposits) was not examined due to timing and resource limitations. However, it is anticipated that additional funds may be available for use upon continued examination of the remaining deposits, including other accounts within the PWTF. Therefore, a resolution authority for one Senior Management Analyst I (Class Code 9171-1) position is recommended to continue this effort. The position salary cost is fully reimbursable as an allowed administrative and management expense of the PWTF (see Attachment 1, Option A).

NEXUS STUDY PROCESS

On February 17, 2017, the Board authorized the Executive Officer to release a Request for Proposal (RFP) to review Pre- and Post-1989 PWTF deposits in account no. 4873, identify options to develop a potential "PWTF Nexus Fund Use" policy or guidelines, and establish a reasonable relationship or "Nexus" for the use of the said funds, if any. Proposals were received on or by April 21, 2017.

In May 2017, a three-member evaluation panel reviewed proposals based on six criteria: (1) Approach and Methodology; (2) Experience and Qualifications; (3) Cost and Budget Control; (4) Schedules and Deliverables; (5) Overall Proposal Evaluation and Content; and (6) Overall Proposal Responsiveness. The evaluation team recommended the Bronner Group (Bronner) based on service qualifications and prior experience working with the City's Harbor Department, Housing Authority, and Offices of the City Controller and Finance on similar auditing and accounting initiatives. Bronner's proposed approach and methodology appeared to be well planned, logical, organized, and within budget.

On June 16, 2017, the Board awarded a six-month contract with two, six-month extension options (C-129518) to Bronner in the amount of \$140,000, which was executed on June 21, 2017. On December 18, 2017, the Board approved the first of two, six-month renewal options extending contract term to June 30, 2018 (amount remained unchanged).

NEXUS STUDY SCOPE OF WORK

The Nexus Study scope of work focused on four major deliverables - Benchmark Study, Deposit Review Report, Policy Options for Fund Use Guidelines Establishment, and Roadmap Report - and was completed through a five-phase approach.

Phase 1 - To kick-off, plan and monitor the project, collect PWTF data, review a series of electronic files (i.e. spreadsheets, reports, databases, system), prepare work-paper for documenting file conditions, materials, and file requests, and understand the level of information available and gaps. Phase 1 was completed by mid-July 2017.

Phase 2 – To develop a benchmarking survey to compare different fund management models, process flows, metrics, and policies used for deposit types, including legal/financial restrictions to manage funds in compliance with State of California MFA. On August 15, 2017, the benchmark survey was released to 38 California cities and counties. In addition to the survey, interviews were conducted with eight (8) municipalities. Phase 2 was completed in mid-September 2017.

Phase 3 – To develop Nexus recommendations and/or fund use options to the Board based on best practices, benchmark study findings, and/or case law(s). Also, to develop a PWTF Nexus Fund Use Policy or Guidelines focused on setting a "reasonable relationship" or "Nexus" between the (a) original purpose and proximity of the original location where funds were collected for, and (b) a "like purpose" Public Works project that has a physical "Nexus" to said funds. On October 23, 2017, the Bronner team, along with the Executive Officer of the Board, presented its preliminary findings to the Board Commission.

Phase 4 – To review deposits and create a Deposit Review Report, including review of pre- and post-1989 State Law requirements, validation and/or identification of data, and categorize data by the nature of deposit/disposition, "Like Categories" or "Like Purpose", Geographic location, and Council District. Phase 4 was completed in mid-December 2017.

Phase 5 - To develop a road map or action plan of steps and actions needed to manage unclaimed deposits based on proposed recommendations. Phase 5 was completed in mid-January 2018. Immediately after, Bronner began the preparation of the final report. The final report was completed on February 28, 2018.

OVERVIEW OF NEXUS STUDY FINDINGS AND RECOMMENDATIONS

The Nexus Study provides an independent review and analysis of 132 deposits and suggests appropriate next steps for the Board, Mayor, and City Council to find and determine a nexus or reasonable relationship between the (a) deposit's original purpose for which it was collected and (b) the ultimate use of said funds for the same or like-kind purpose within specified factors and/or variables, where applicable (see Attachment 1, Appendices I-IV).

In brief, the Nexus Study findings are focused on:

- Benchmark Survey;
- Case Law Review – Applicability of the 1989 State of CA Mitigation Fee Act (MFA);
- Fund Use Options (see Attachment 3 for Fund Use Rules and Guidelines); and
- Recommendations and Next Steps.

Benchmark Survey

In total, 23 municipalities provided responses to the Benchmarking Survey. The following study findings and relevancy are intended to guide and inform the City's decision making toward establishing a reasonable relationship of funds. It is important to note that the data collected represents a small sample set; therefore, difficult to generalize conclusions yet significant to suggest findings. Appendix VII of the Nexus Study provides the complete survey questions and responses.

Survey Findings

- 100% of respondents link a permit deposit to the physical location of the project, and some also use other methods, such as property index numbers (26%), and boundary/districts/wards/zones (21%).
- 47% of respondents indicate that money is kept and used for the purpose it was collected when a contractor/developer fails to meet the terms and conditions of a permit.
- 60% of respondents use or reference the use of a nexus study or impact fee study as their preferred mechanisms to establish "reasonable relationships."
- Most respondents indicated that money (funds) is refunded to the permittee when a project is never started.
- Most respondents indicated that money (funds) is used to complete the original project for which the deposit is made when a bond is defaulted.

Interview Findings

- Interviewees did not express concern about the threat of legal action related to the

MFA since their municipalities collected fees based on ordinances, policies and codes, which meant that the “reasonable relationship” between the deposit and the use of the funds was already pre-established when the deposit was received.

- Most were not aware of specific MFA reporting requirements.
- Most segregate deposits based on purpose of the fees.
- Establishment of fees and how they are collected is generally similar from municipality to municipality.
- Investment in a software solution that seamlessly tracks permits and deposits would provide better documentation and evidence of compliance.

It is important to note that although the Department of Public Works follows a similar process in establishing and collecting fees to that of the benchmarked municipalities, it is less consistent about segregating those fees, based on purpose, into separate deposit accounts. Bronner recommends that this challenge could be addressed through both process mapping and technology improvement.

Case Law Review

The State of California Mitigation Fee Act (MFA) (Assembly Bill 1600, Gov. Code 6600 et seq.) was enacted in 1987 with an effective date of January 1, 1989. The MFA requires that fees collected must be used for the project’s intended purpose or returned to the depositor. The MFA requires annual reporting and a more detailed reporting of funds every fifth year, including compliance with various requirements, such as (a) identifying the purpose to which the fee is to be used and (b) demonstrating a reasonable relationship between the fee and the purpose for which it is charged. Further, the MFA regulates city and county practices regarding the structure, collection, and management of said fees.

For applicability of the MFA to the PWTF, various cases were reviewed yet two cases were most relevant as follows (see Nexus Study Appendix VIII for detailed case citing):

Case 1: Meeting MFA Reporting Requirements - In this 2005 case, Daniel Walker, as Trustee, etc., et al., v. City of San Clemente et al., the City of San Clemente was ordered to refund unexpended impact fees and accrued interest to the current owners of the properties on which the fee had been imposed because it (1) failed to make all required findings in its five year report, and (2) failed to identify a start date for the construction of those improvements yet had sufficient funds to complete its beach parking improvements. In short, the City of San Clemente created a “Beach Parking Impact Fee” because it anticipated that residential development would significantly increase the demand for public parking at its City’s beaches. Between 1989 and 2009, the City collected nearly \$10 million but only spent less than \$350,000.

Case 2: Establishing a “Reasonable Relationship” – In this 2010 case, NorCal Investment Partners, L.P. v. City of Redding, the courts ruled in favor of the City of Redding citing

that a valid governmental purpose for a public project (in this case traffic project) does not require evidentiary support and that *"the legislative body enjoys nearly unfettered discretion to determine what goals best serve the public good."* NorCal contended that an ordinance establishing an impact fee violated the MFA for four reasons (making developers pay for own improvement, imposing a fee without evidence, subsidizing cost of others, and failure to establish a nexus between improvement and fee) and argued that the City of Redding was required to make an individualized determination of the fee for each property.

The courts ruled that the MFA does not require a city to establish a reasonable relationship between each parcel and the fee to be paid. An ordinance establishing a fee program is *"valid if supported by a reasonable relationship between the amount of the fee and estimated cost of services. Site-specific review is neither available nor needed."* This decision supports the concept of allowing funds to be spent within the same City Council District.

It is important to note that Bronner did not find evidence of deposits specifically tied to development impact fees and that conclusions reached through the review of legal cases (case law) do not equate to legal opinions. Therefore, it is recommended that the Office of the City Attorney provide any advice and/or opinion(s) to the Board of Public Works that may be necessary to implement the recommendations in this report.

Fund Use Options

The main guiding principle, recommended by Bronner, is that any deposit (funds) should be applied to complete the project for which it was collected, at the original project location. If that is not possible, deposit(s) should be applied to fund projects that have a close geographical nexus with the original permit location, ***using the Council District as the default nexus*** and same or like-kind purpose type, if applicable. See Attachment 3 for proposed PWTF Fund Use Rules and Guidelines.

For the purposes of this report and findings from the Nexus Study, the amount available for immediate fund use is \$5,895,871.43 representing 132 deposits. In addition, one deposit in the amount of \$30,000 is determined as refundable. The remaining balance of \$6,054,886.06 was not examined. However, it is anticipated that a significant amount may be available upon examination, including review of other PWTF accounts. The remaining, unexamined PWTF balances is not part of this report's recommendations yet the PWTF Fund Use Rules and Guidelines (see Attachment 3), if approved, would apply upon review and determination.

Available fund use amounts are a combination of deposits valued at (a) more than \$10,000 received pre- and post-1989 with adequate documentation to justify its use, and (b) less than \$10,000 received pre-1989. Due to the age and low dollar value, the risk

associated with using pre-1989 deposit(s) is very low. The following table delineates deposit balances between pre- and post-1989 based on four policy options (i.e., deposits to use: at-will, on any project, in any council district, on specified project type and nexus).

	Policy Option Group	Pre-1989	Post-1989	Total
A	Deposits to Use "At Will"	\$441,409.63	\$46,540.70	\$487,950.33
B	Deposits to Use on Any Project	\$524,273.96	\$1,009,257.77	\$1,533,531.73
C	Deposits to Use in Any Council District	\$0.00	\$20,000.00	\$20,000.00
D	Deposits to Use on Specified Project Type and Specified Nexus	\$291,622.00	\$3,562,767.37	\$3,854,389.37
	Total	\$1,257,305.59	\$4,638,565.84	\$5,895,871.43

Based on the Nexus Study and guiding principles stated above, authority is requested to use and transfer available funds as follows:

- **\$487,950.33 for Administrative (Salary) and Management Expense** – To fund the management and administration of the Public Works Trust Fund as listed in Nexus Study Appendix I (Option A);
- **\$1,533,531.73 for Use on Any Project** – To fund Public Works Improvements/Projects in locations (either at specified project location or Council District of the project) to be determined by factors and variables listed in Nexus Study Appendix II, associated with the specific deposit (Option B);
- **\$20,000.00 for Use in Any Council District** – To fund Public Works Improvements/Projects for use in any location (no specific Council District) as determined and documented in Nexus Study Appendix III with the specific deposit (Option C); and
- **\$3,854,389.37 for Use on Specific Project Type and Nexus** – To fund Public Works Improvements/Projects based on variables listed in Nexus Study Appendix IV, for the specified location Nexus (either at specified project location or Council District of the project) and project type documented (Option D).

The following table provides a different viewpoint of overall available funds by Purpose Type and Council District, which majority of funds are predominately in Council Districts 2, 4, 11, 12 and 15. See Attachment 2 for general map (geo-spatial) view of deposits.

Council District	General Improvement	Street Improvement	Sidewalk ¹ , St. Lights ² , Trees ³ , Route Study ⁴	Unknown Purpose	Total
1	\$ 13,000.00	\$ 291,924.00	\$ 2,100.00 ¹		\$ 307,024.00
2		\$ 144,698.00	\$292,000.00 ²		\$ 436,698.00
3		\$ 133,050.90			\$ 133,050.90
4		\$ 603,856.09	\$ 8,535.00 ^{1,2,3}	\$ 41,000.00	\$ 653,391.09
5	\$ 45,370.30	\$ 136,676.47		\$ 17,884.90	\$ 199,931.67
6		\$ 197,868.07	\$ 4,400.00 ¹	\$ 87,603.77	\$ 289,871.84
7		\$ 103,915.95		\$ 1,750.00	\$ 105,665.95
8			\$ 1,100.00 ¹		\$ 1,100.00
9			\$ 7,542.00 ¹		\$ 7,542.00
10		\$ 100,000.00			\$ 100,000.00
11		\$ 678,850.57		\$ 20,000.00	\$ 698,850.57
12	\$ 500.00	\$ 952,280.20	\$ 56,250.00 ⁴	\$ 30,000.00	\$1,039,030.20
13		\$ 105,160.00	\$ 6,500.00 ¹	\$ 1,000.00	\$ 112,660.00
14	\$15,475.83	\$ 209,187.98	\$ 1,800.00 ¹		\$ 226,463.81
15		\$ 343,612.89	\$ 7,100.00 ¹	\$ 708,328.18	\$1,059,041.07
Unknown		\$ 17,600.00	\$ 20,000.00 ³	\$ 487,950.33	\$ 525,550.33
Total *	\$ 74,346.13	\$4,018,681.12	\$407,327.00	\$1,395,517.18	\$5,895,871.43

*Total Aggregate Balance of \$5,895,871.43 includes portion proposed for administrative and fund management reimbursement; therefore, actual net available balance to Council Districts is \$5,407,921.10.

Recommendations and Next Steps

The Nexus Study makes recommendations on three areas of concern for future improvement. These areas are (1) weakness in the process of tracking fee deposits, (2) lack of adherence to the MFA requirements, and (3) additional research needed on the remaining balance of Special Project Deposit Account No. 4873. The Board is committed to create an action plan that corrects these areas of concern and implement any necessary internal controls to improve the management of the PWTF.

1. *Process Tracking Weakness* – The Department of Public Works' process for coding, segregating, tracking, refunding, and using fees deposited creates opportunities for errors. Multiple points of contacts (i.e., cashier, coder, tracker, accountant, etc.) are evident throughout the process and many steps are completed manually. This allows errors and increases risk for unintentional, non-compliant actions and increases miscommunication or lack of communication between the Bureaus and the Office of Accounting (OOA). This is problematic because the Bureaus takes on the role of collector and OOA as the accountant, which leaves the administrator role vulnerable or absent.

Therefore, the proposed position would fill in the administrator gap, provide a dedicated full-time resource to manage funds, and ensure adequate internal controls of the PWTF.

Bronner recommends that the Board assess and improve the process for recording information through the use of technology. An integrated solution would simplify correlating fees collected with specific permits/projects, increase transparency, provide supporting evidence in cases of litigation, and safeguard against potential problems arising from the current manual tracking and monitoring of loans made from the PWTF to other City departments.

2. *Lack of Adherence to MFA Requirements* - The MFA stipulates how deposits should be managed and used, and how reports should be kept on such deposits, yet there was little evidence that some of the key elements of the MFA are being followed. Specifically, there is a distinct set of criteria outlined in the MFA for the cash payments. The MFA states that commingling of funds is authorized for temporary investments; therefore, deposits from development impact fees and cash payments taken in-lieu of constructing the improvements should not be comingled in the same fund. Moreover, the MFA requires record-keeping, annual review of deposits, and a five-year plan for deposit expenditure. The first two requirements are now occurring yet the five-year report has not been completed since the act was enacted. Lastly, interest earned and accumulated from the Special Projects Deposit Accounts is transferred to the City's general fund. Per the MFA, upon receipt of a fee, the City is required to deposit, invest, account for, and expend the fees. For circumstances in which the fee is not expended on an improvement project and a refund is required, the MFA states that the fee, or any unexpended portion of the fee and any interest accrued, shall be refunded to the current owner(s) of the property.

Bronner recommends establishment of procedures and controls, such that MFA requirements and timelines become an integral part of the process of fee collection and account/fund management. This should include separating different types of deposits into distinct accounts, and establishing a process to document deposits in a five year plan.

3. *Additional Research to Special Projects Deposit Account No. 4873* – Further research is required for the remaining balance, including collection, review, and analysis of deposit supporting documentation.

Bronner recommends that the City allocates a portion of the deposits available for use in the funding of staff needed to conduct this research, including on- and off-site project review of documentation.

FUND USE RULES AND GUIDELINES (POLICY OPTIONS)

Attachment 3 provides detailed information on the proposed PWTF Fund Use Rules and Guidelines. In general, Bronner categorizes the rules and guidelines by five policy options A through E (or as listed in Appendices I – V in the Nexus Study) and follows in general five guidelines:

- If a deposit is neither used for the specific purpose and project it was intended for, nor refunded to the depositor, then those deposited funds shall require determination of “reasonable relationship” or “nexus” prior to its disposition of funds.
- If the project for which the fee collected was intended is ongoing, then the deposit should be applied to the work underway for that project, or project(s) with like purpose at the original location if available, or within the Council District as the geographical nexus/boundary.
- If the project for which the fee was intended, or a like purpose project within the geographical nexus/boundary has been completed, then the deposit should be applied to reimburse the City’s cost of completing that project.
- If neither option applies (project type or location are unknown), then the deposit should be used to fund projects that have a close geographical nexus to the original intent in the permit, using the Council District as the geographical boundary.
- Pre-1989 deposits have greater flexibility and ability to establish a reasonable relationship as determined by a governing body with minimal (i.e., broad nexus to the administration and management of funds, geographical location, and general purpose type) to no restrictions.

PROPOSED POSITION AUTHORITY

This report seeks approval for one Senior Management Analyst I (Class Code 9171-1) resolution authority position to startup critical research and analytical work anticipated for the remaining fund deposit within the PWTF Account No. 4873 and remaining 28 appropriation accounts. No additional salary funds are needed for the remaining fiscal year. Most importantly, the proposed position is recommended to be continued in the Fiscal Year 2018/19 budget due to the long-term, non-temporary nature of the work. See Attachment 4 for proposed Position Description.

The Board believes that dedicating one full-time Senior Management Analyst I position is critical and will lead to identify additional funds that could be used for future public works

infrastructure projects. Authorization of this position will allow for the active administration and management of the PWTF to examine, research, and analyze various remaining deposits. Moreover, this position will monitor, design, and create fund management practices that could leverage existing funds for critical Public Works projects. The position will also provide reports for executive management and collaborate with many of the department's bureaus and offices, including the Offices of the City Controller and City Administrative Officer. The initial effort to examine the remaining fund portion is anticipated to take one year and then the same process will be replicated for the 28 remaining PWTF accounts, which could also identify other available funds. Therefore, the need for this position is long term. Approval will also restore services of this management position that was eliminated during the Great Recession.

Based on the Nexus Study findings, funding in the PWTF is available to pay for administrative cost. For the current fiscal year 2017/18, the Board will absorb the additional cost needed to fund this position. For future years, if the proposed position is not included in the adopted Fiscal Year 2018/19 budget, the Board will submit budget requests to continue the resolution position authority with reimbursement from the PWTF to the general fund resulting in a no-net funding impact. The following describes the benefit and cost anticipated, if this position is approved.

Benefit:

- Continue Efforts to Identify Other Potential Funds to Be Used (i.e., \$6 million remaining from the original \$12 million special project account).
- Increase Responsiveness to Depositors and Improved Constituency Services.
- Increase Fund Management, Transparency, and Accountability.
- Ensure Compliance with the CA Mitigation Fee Act.
- Implement Cash Flow Modeling and Forecasting of Fund.
- Improve Financial Reporting.
- Continue Review Deposits with Primary Focus to Identify Funds for Public Works Projects (i.e., CIP, Trees, Work Orders, Permits, etc.).
- Institutionalize Fund Use Policy and Actively Manage Fund Guidelines.
- Improve Transfer Fund Frequency to GF from Permits and most importantly, de-bottle neck A, E, and U permit and work order expenses charged but not transferred to the GF or SF (approx. \$17.1 million to be analyzed).
- Review Tree Deposits (approx. \$3.6M to be analyzed)
- Review of Damage Claims/Settlement and Misc. Account (\$1.5M to be analyzed).

Cost and Anticipated Fund Use At-A-Glance:

- Years 1 to 6: \$440,00 to \$635,000 anticipated with actual cost closer to lower range due to potential cost savings. Annual salary range is \$69,000 to \$98,000.
- Years 7 Forward: Use portions of Permit Surcharge Trust Fund to pay for cost.

- Fund use potential is estimated at \$8 million within the next six years or about \$1.33 million on average/per year.

The following table illustrates anticipated work load and potential fund use resulting from the proposed administrative and management efforts.

Year	FY	Potential Fund Use in Millions	Work Load Focus (Note: Fund Use Realized the Following Year)
1	2019		Special Projects (\$6M) and Portions of St. Trees (\$3.6M)
2	2020	\$2.34	Portions of St. Trees (\$3.6M) and A,E, and U Permits (\$3.8M)
3	2021	1.31	Excavation, Vacation, and Land Work Orders (\$17.1M)
4	2022	1.71	Excavation, Vacation, and Land Orders (\$17.1M)
5	2023	1.71	Damage Claims, Settlements for CD 8 (\$1M) and Misc. (500K)
6+	2024	1.25	Other Deposit Review (\$ TBD)
TOTAL		\$8.32	(NOTE: DOES NOT INCLUDE \$5.9M FROM THIS REPORT)

NOTE: Assumes 33% return for Special Projects, 20% for Street Trees, 25% for Permits, 20% for Work Orders, and 100% for Damage Claims to CD 8 and 50% for Misc.

FISCAL IMPACT STATEMENT

Funding in the amount of \$5,895,871.43 is proposed to be available for immediate use upon finding and determining that a reasonable relationship (nexus) exist for deposits, listed in Appendices I through IV in the Public Works Trust Fund Nexus Study, between the deposit's original purpose/location and use of said funds. If approved and adopted, \$4,638,565.84 represents post-1989 deposits and \$1,257,305.59 represents pre-1989 deposits, which majority of funds will be transferred to the City's CIEP, or other fund location as appropriate, and a small portion to reimburse the Board's salary account. One deposit will be refunded at \$30,000.

Respectfully submitted,



DR. FERNANDO CAMPOS
 Executive Officer, Board of Public Works

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BOARD REPORT NEXUS STUDY AMENDMENTS (BPW-2018-0361)

- Amend Recommendation 6(a) to fund the first annual administrative expense of \$75,000 out of the \$487,950.33 as listed in Nexus Study Appendix 1(Option A) and then request the Executive Officer to seek Board approval(s) for additional amounts from this category.
- Amend Recommend 7(a) to indicate transfer of funds is subject to approval by the Board.
- Add New Recommendation 11 to Instruct the Executive Officer to:
 - a) Establish a pre-qualified, on-call contractor list for use of these funds and types of projects with the intent of expanding diversity by creating a more “sheltered marketplace” with specific areas of work where emerging and small businesses can compete as primes and incentivize inclusion by allowing proposers to choose to meet a local-small requirement rather than meeting a higher non-specific Mandatory Subcontracting Minimum;
 - b) Require all projects that are approved for this funding utilize the pre-qualified on-call contractor list to be approved; and,
 - c) Report back on any resources necessary to implement the above requests.
- Add New Recommendation 12 as “Request City Council to consider distributing and prioritizing allocation of remaining funds of \$412,950.33 in the “unknown Council District” amount category, after an initial \$75,000 is dedicated for initial administrative cost, to the bottom four Council Districts (i.e. 7, 8, 9, and 10) with lowest allocation amounts.



City of Los Angeles
DEPARTMENT OF PUBLIC WORKS
BOARD OF PUBLIC WORKS
PUBLIC WORKS TRUST FUND NEXUS STUDY

FEBRUARY 28, 2018

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Executive Summary

In June 2017, the City of Los Angeles' Department of Public Works, Board of Public Works (BPW) engaged Bronner Group, LLC (BRONNER) to conduct a "Nexus Study" of the Public Works Trust Fund (PWTF). This study is an independent review of the funds held as PWTF Special Project Deposits to determine the reasonable connection, i.e., Nexus, between the fund's original purpose/location and potential uses of the funds.

The Nexus Study produced the following major deliverables, which are included in this final report:

- **Benchmarking Study** to understand how other California municipalities manage fee deposits collected through their public works/engineering/building departments, and their experience, if any, regarding the State of California's Mitigation Fee Act (MFA);
- **Deposits Review Report** based on the review of Special Projects Deposits. The Deposit Review Report provides actions needed to manage funds held as Special Projects Deposits, based on a comprehensive analysis of data gathered, and an assessment of what qualifies as a "reasonable relationship," or nexus, for use according to the MFA. The specific line-item recommendations for Special Project Deposits are detailed in batches by deposit values in the Appendices of this Report.
- **Policy Options for BPW Consideration** provide guidelines for setting BPW policies in the disposition of deposits. The respective spreadsheets itemizing the categories or batches are provided in the Appendices of this Report.
- **Recommendations and Roadmap Report** providing the BPW with observations, analysis, and recommendations for improving procedures and systems to manage fee deposits collected.

This Nexus Study focuses on approximately \$11,980,757.49 being held in a restricted account (No. 4873) referred to as Special Projects Deposits as of June 30, 2016. In total, 360 deposit job sites were identified. Bronner determined the deposits available for use total \$5,895,871.43, representing just over 49% of the total deposits. Out of the \$11,980,757, the aggregate balance for deposits of \$10,000 or less is \$716,760.43 of which \$136,730.43 is available for use, and included in the total \$5,895,871.43 available, stated above.

This Report also provides high-level observations and recommendations to provide the Department of Public Works with actionable steps for improving PTWF management. In order to reduce the risk of non-compliant actions and improve the operational efficiency, BRONNER recommends that the City:

- **Assess and improve the process for recording information through the use of technology.**
- **Establish procedures and controls such that MFA requirements and timelines become an integral part of the process of fee collection and accounts management.**
- **Allocate a portion of the deposits available for use outlined in Policy Option A in funding the staff needed to research the status of projects, including on-site project review, as funding of administrative costs is allowable per the MFA.**

Background Information

The Public Works Trust Fund

The Public Works Trust Fund (PTWF) was created by the City of Los Angeles in the early 1940s to hold a variety of fee deposits related to Public Works projects. The PWTF operates similar to bank or escrow account where funds (receipts, deposits, fees, etc.) are held and disbursed for a specific purpose or refunded. The Board of Public Works (BPW) sets the policies and practices to manage the PWTF consistent with the authority and requirements of the Los Angeles City Charter, Los Angeles Administrative and Municipal Codes, local ordinances, and directions from the City Council and Mayor. The PWTF has been used as a source of funding for loans, subject to repayment terms, to other City departments/funds. These loans require approval by the BPW and City Council and typically provide funding for various grant-funded capital projects.

The PWTF currently holds deposits from approximately 12,000 depositors spread across 29 various appropriation accounts. As of June 30, 2016, the total balance within the PWTF was \$107.6 million. However, this Nexus Study focuses on approximately \$11.9 million being held in a restricted account (No. 4873), referred to as Special Projects Deposits. The funds in this restricted account have been collected from developers, contractors, and property owners based on fees generally determined by the Department of City Planning, and typically collected at the public counters in the Bureau of Engineering. Some of the deposits in this account represent monies from defaulted bonds and settlements.

Discussion of Fees Collected

The Los Angeles Department of Public Works (DPW) collects a variety of deposits and fees related to development, including:

- Refundable deposits associated with building permit requirements;
- In-lieu (of construction) fees, also deposits associated with building permit requirements but relating to infrastructure (street/sewer/trees) affected by the new development. These fees are generally non-refundable unless the City determines later that the work to be completed with the funds is unnecessary or costs less than the fee; and,
- Non-refundable development impact fees associated with traffic or environmental impacts in the proximity of the new development.

Based on the documents available for review, most of the deposits in account No. 4873 with documentation fall into the first two categories above. A small portion of deposits did not have adequate information to make any determination of purpose; however, BRONNER did not find evidence of deposits specifically tied to development impact fees. Therefore, based on what was available for analysis, it appears that development impact fees may have been deposited elsewhere, and not in account No. 4873. To further clarify how development impact fees differ from traditional permit fees and in-lieu fees, the following provides a background on the origin of development impact fees.

Because in-lieu fees are tied to specific building projects and have restricted use, cities have looked for more flexible options for funding capital expenditures relating to development. In 1947, the Village of Hinsdale, Illinois successfully imposed the first impact fee, to fund a sewer project. In addition to the provision of additional water and sewer systems and roads, impact fees have been collected for schools, libraries, parks, and recreation facilities made necessary by the presence of new residents in an area. The language used to describe impact fees may vary from one municipality to the next. In some communities, these development-related charges are called impact fees, while in others, such charges may be called benefit assessments, user fees, or connection charges.

The Mitigation Fee Act (MFA)

The State of California Mitigation Fee Act (Assembly Bill 1600, Gov. Code 6600 et seq.) was enacted in 1987 with an effective date of January 1, 1989. The Act requires that fees collected must be used for the project's intended purpose or returned to the depositor. Detailed discussion on the requirements are found later in this Report. The MFA regulates city and county practices regarding the structure, collection, and management of said fees. Section 66001, the most relevant section of this Act follows:

CHAPTER 5. Fees for Development Projects [66000 - 66008] (Chapter 5 added by Stats. 1987, Ch. 927, Sec. 1.)

66001. (a) In any action establishing, increasing, or imposing a fee as a condition of approval of a development project by a local agency, the local agency shall do all of the following:

- (1) Identify the purpose of the fee.***
- (2) Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged.***
- (3) Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.***
- (4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.***

(b) In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

(c) Upon receipt of a fee subject to this section, the local agency shall deposit, invest, account for, and expend the fees pursuant to Section 66006.

- (d) (1) For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:**
- (A) Identify the purpose to which the fee is to be put.**
 - (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.**
 - (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).**
 - (D) Designate the approximate dates on which the funding referred to in subparagraph is expected to be deposited into the appropriate account or fund.**
- (2) When findings are required by this subdivision, they shall be made in connection with the public information required by subdivision (b) of Section 66006. The findings required by this subdivision need only be made for moneys in possession of the local agency, and need not be made with respect to letters of credit, bonds, or other instruments taken to secure payment of the fee at a future date. If the findings are not made as required by this subdivision, the local agency shall refund the moneys in the account or fund as provided in subdivision (e).**
- (e) Except as provided in subdivision, when sufficient funds have been collected, as determined pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 66006, to complete financing on incomplete public improvements identified in paragraph (2) of subdivision (a), and the public improvements remain incomplete, the local agency shall identify, within 180 days of the determination that sufficient funds have been collected, an approximate date by which the construction of the public improvement will be commenced, or shall refund to the then current record owner or owners of the lots or units, as identified on the last equalized assessment roll, of the development project or projects on a prorated basis, the unexpended portion of the fee, and any interest accrued thereon. By means consistent with the intent of this section, a local agency may refund the unexpended revenues by direct payment, by providing a temporary suspension of fees, or by any other reasonable means. The determination by the governing body of the local agency of the means by which those revenues are to be refunded is a legislative act.**
- (f) If the administrative costs of refunding unexpended revenues pursuant to subdivision (e) exceed the amount to be refunded, the local agency, after a public hearing, notice of which has been published pursuant to Section 6061 and posted in three prominent places within the area of the development project, may determine that the revenues shall be allocated for some other purpose for which fees are collected subject to this chapter and which serves the project on which the fee was originally imposed.**

(g) A fee shall not include the costs attributable to existing deficiencies in public facilities, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan."

BRONNER Approach

BRONNER worked with the DPW Contract Project Manager, Tommy Siu, throughout the engagement, with periodic updates to the Executive Officer of the Board of Public Works, Dr. Fernando Campos. Following project kick-off, BRONNER team sorted and analyzed data provided by the Office of Accounting (OOA) and Bureau of Engineering (BOE). BRONNER worked collaboratively with DPW staff throughout the engagement to ensure understanding and acceptance of the strategy and elements of the project plan for assessing the Special Project Deposits (SPD). BRONNER's work included:

Department of Public Works interviews

- Interviewed key DPW personnel, including the OOA, the BOE, the BPW, and the Office of the City Attorney.

Review of documents and procedures

- Reviewed all provided data from the OOA and BOE, followed by on-site data collection, and process review with key personnel in those departments.
- Subsequently, developed Bronner Master Worksheet detailing all information available for each deposit in the SPD account.
- Conducted additional on-site research to identify as many details as possible through further research using BOE's internal server and paper documents held in the BOE's Valley office.

Benchmarking study

- Designed and distributed surveys to municipalities in California.
- Conducted analysis of survey data received.
- Conducted extensive interviews with survey respondents representing eight municipalities.

Review of legislation and relevant case studies

- Studied California Mitigation Fee Act (MFA).
- Reviewed multiple legal cases involving sections of the MFA relevant to this Study.

Development of recommendations for deposits, and procedures going forward

- Developed SPD recommendations based on information from data in the Bronner Master spreadsheet, best practices learned in benchmarking study, case studies, and conversations with key stakeholders in the Department of Public Works.

Presentations and reports

- Presented preliminary findings to the Board of Public Works in October 2017.
- Provided a draft report, including all deliverables, on January 5, 2018, and a final report on February 1, 2018.

Benchmarking Study

Overview

BRONNER's team conducted benchmarking in the early stages of the engagement to leverage lessons learned and best practices from comparable cities and counties across the State of California. The goal was to gain an overview of the policies, procedures, and systems used by other local entities to manage permit deposits and impact fees in compliance with MFA prior to reviewing the SPD account.

The Los Angeles Nexus Study and Policy Development Benchmarking Survey was developed (see Appendix I) as a standardized process for gathering this information. Survey questions were designed to elicit responses regarding specific operating processes to provide insight into comparable entities statewide. The primary purpose of the survey process was to identify best practices in the management of fees collected, as routine procedures, or in response to the constraints dictated by the Mitigation Fee Act enacted in 1989. BRONNER conferred with DPW in selecting municipalities and key stakeholders within those organizations to which surveys would be distributed. Municipalities were selected based on population size, public works budget allocation, and/or development growth.

Survey Design and Analysis

There were 96 individuals across 38 cities and counties throughout the State of California that were identified for benchmarking by DPW. It is significant to note that while the original survey pool was identified based on open-source information gathered from the American Association of Public Works and contact information from city and county websites, targeted survey participants were given the option of forwarding the survey to an alternate point of contact, or group of individuals, that would be best positioned to answer the survey based on their work with permits and impact fees. Survey participants were encouraged to answer as many questions as possible, but responses to questions in this survey were not mandatory in order to move to the next question.

Survey Results

BRONNER received survey responses from 25 individuals in 23 municipalities. Due to the limitations of any study of this type, and the multiple variables influencing the way deposits and fees are determined and collected across municipalities and counties, as well as variation in the way respondents interpreted questions, it is difficult to reach any exacting conclusions (see Appendices).

Observations from survey responses are summarized as follows:

- All respondents said their municipalities link a permit deposit to the physical location of the project, and some respondents said they also use other methods, such as property index numbers (26%), and boundary/districts/wards/zones (21%).
- In the event that a contractor/developer fails to meet the terms and conditions of a permit, 47% of the respondents said the money is then kept and used for the purpose it was collected.

- In the event that a project is never started, most said that fees deposited were returned to the permittee.
- If a bond defaulted, in most cases, respondents said the allocated funds are used to complete the original project for which the deposit was made.
- Fifteen of the 25 survey respondents answered the question: "Please explain how your city/county establishes 'reasonable relationships' based on the Mitigation Fee Act." These responses referenced nexus studies or impact fee studies as their preferred mechanisms.

Interviews with Key Survey Respondents

The most important outcome of survey distribution was the opportunity to identify key stakeholders with useful insights for follow-up interviews. BRONNER's team conducted eight in-depth interviews with personnel in public works, engineering, planning, and accounting departments in the cities of San Diego, Santa Monica, Culver City, Fremont, Alameda, and Sacramento, and in the County of Los Angeles.

BRONNER's team was primarily interested in learning more about how other municipalities manage permit fees and impact fees from the time funds are collected from a contractor or developer through the time the funds are expended for public works; and, how they define or determine a "reasonable relationship" between a fee collected and the purpose for which that deposited fee is ultimately used.

Respondents to the project surveys and interviews almost universally stated that their municipalities segregated fees collected into separate accounts or by separate codes, based on the purpose of the fees so that monies would be appropriately allocated to the associated project. Although the technology/software used to track such fees varies by municipality, most respondents interviewed described similar procedures or steps broadly described below:

1. Fees are generally developed and set by planning departments. Development impact fees are guided by policies, ordinances, or codes, and sometimes are the result of studies performed before a particular development can be approved.
2. The other fees collected generally include: those tied to building permits that are generally refundable; and, in-lieu fees, representing work that will be completed by the municipality rather than the developer, that are generally non-refundable. Based on interviews, planning departments generally establish fees.
3. Once fees are set, the point of contact for collecting fees is a public counter, where the engineering department usually manages the process and codes documentation to connect the fee to a project and location.
4. The engineering department then shares this information with the accounting or finance department, where the fee is deposited into the appropriate account.

Those interviewed did not express concern about the threat of legal action related to the MFA since their municipalities collected fees based on ordinances, policies and codes, which meant that the “reasonable relationship” between the deposit and the use of the funds was already established when the deposit was received. Most interviewees were not aware of the specific reporting requirements of the MFA, and therefore were not able to affirm whether records used for tracking deposits were retained for more than one year.

One of the most informative interviews conducted by BRONNER’s team involved both a phone and an extensive in-person interview with Michele Chimienti, Senior Civil Engineer, at the Los Angeles County Department of Public Works (LACDPW). Ms. Chimienti discussed how LACDPW revamped their entire process approximately three years ago so that the system is transparent and available across departments (planning, engineering, accounting, operations, etc.). LACDPW developed a customized, technology platform called *EnerGov*, developed by Tyler Technologies. When a deposit is received and coded, it is visible throughout the system. Information can be added, but must be authorized for use or refunding. Ms. Chimienti explained that annually, she presents a document to the Board of Public Works that details the fees that have been collected and categorized, and also provides an update on the status on the projects tied to those fee deposits. If it is determined that there are deposits being held that will not be needed, at this time Ms. Chimienti authorizes the release of the funds to the entity/person who made the deposit. (BRONNER mentioned that the MFA states that refunded fees should go to the current owner of a property tied to a permit; however she said that the Department only returns funds to the party whose name appears on the original permit.) She added that this process is also documented in the County code.

In short, the interviews revealed that 1) deposits are segregated based on purpose of the fees; 2) the establishment of fees and how they are collected is generally similar from municipality to municipality; 3) there was little concern about legal action relating to fees and how they are handled; and, 4) investing in a software solution that seamlessly tracks permits and deposits would provide better documentation and evidence of compliance.

Although the Los Angeles DPW follows a similar process in establishing and collecting fees to that of the benchmarked municipalities, it is less consistent about segregating those fees, based on purpose, into separate deposit accounts. This challenge could be addressed through both process mapping and technology.

Review of Legal Cases Citing the Mitigation Fee Act

BRONNER reviewed 13 legal cases in the State of California that cite the Mitigation Fee Act as a part of a law suit filed against a city or county. Key facts from those case studies are listed in Appendix III. For the purpose of this engagement, BRONNER's team focused on the sections of the MFA relevant to DPW deposits held in the Special Projects Account No. 4873. Broadly, there are two key issues of compliance that should be followed in managing the fee deposits in the Account:

- 1) Meeting reporting requirements; and,
- 2) Meeting the "reasonable relationship" requirement for use of funds.

In the review of cases, BRONNER's team identified the following two cases that are pertinent to the Board of Public Works' decision-making regarding the deposits held in the Special Projects Account of the PWTF. While Bronner works on compliance audits and has significant experience interpreting government regulations and case law, it is critical to note that BRONNER is not a law firm. Therefore, the following conclusions reached by the Project team do not equate to legal opinions.

Case 1: Meeting MFA Reporting Requirements

In the 2015 case of *Daniel Walker, as Trustee, etc., et al, v. City of San Clemente et al*, the defendant and appellant City of San Clemente had created a "Beach Parking Impact Fee" in 1989 because the City had anticipated that substantial residential development proposed for the City's inland areas would significantly increase the demand for public parking at the City's beaches. The City therefore imposed the Beach Parking Impact Fee on all new residential developments outside the City's coastal zone to defray the cost of acquiring and constructing new beach parking facilities. Between 1989 and 2009, the City collected nearly \$10 million in Beach Parking Impact Fees (\$1,500 per dwelling) and accrued interest, but the City spent less than \$350,000 to purchase a vacant parcel on which it has not constructed any parking facilities.

In this case, Daniel Walker, the plaintiff, successfully called into question whether the City had adhered to the requirements outlined in the MFA to account for, document, and validate the purpose for which the fee was collected. The trial court ordered the City refund the unexpended impact fees together with accrued interest (pro rata shares) to the current owners of the properties on which the fee had been imposed because:

- 1) The 2009 Five-Year Report failed to make all required findings; and,
- 2) The City's statements in the 2009 Five-Year Report constituted a determinations that the City had sufficient funds to complete the beach parking improvements, but it failed to identify a start date for the construction of those improvements.

Case 2: Establishing a “Reasonable Relationship”

In the 2010 case of **NorCal Investment Partners, L.P v. City of Redding**, NorCal contended that an ordinance establishing an impact fee violated the MFA for four reasons:

- 1) Departing from the City’s long-standing practice of making developers pay for their own infrastructure improvements;
- 2) Exacting a fee without sufficient evidence supporting the fee program’s stated purposes;
- 3) Forcing some developers to subsidize the costs of other developers; and,
- 4) Failing to establish a nexus between the planned infrastructure improvements and the fee to be collected.

The courts ultimately found in favor of the City of Redding, stating that a valid governmental purpose for a public project does not require evidentiary support. The court found that so long as a governmental purpose is not based on impermissible discriminatory disposition, **“the legislative body enjoys nearly unfettered discretion to determine what goals best serve the public good.”** This particular case was the result of impact fees assessed for traffic projects. The City’s justification for implementing the fee included reducing traffic delays due to halting construction efforts, increasing a roadway’s capacity to handle expected increases in traffic, minimizing adverse environmental effects, and encouraging economic development. The courts found that these were all legitimate governmental aims.

Furthermore, a fee study was conducted which adequately justified the manner for achieving the City’s goals, and the courts ruled that the City’s stated purposes were permissible.

NorCal further contended the City of Redding was required to make an individualized determination of the fee for each property based on distance of the property to the proposed improvements. In doing so, NorCal relied on subdivision (a) of section 66001, “which speaks of use and need in relation to a ‘type’ of development project and of agency action ‘establishing, increasing, or imposing’ fees — applies to an initial, quasi-legislative adoption of development fees.” However, the courts ruled that subdivision (a) of the MFA does not require a city to establish a reasonable relationship between each parcel and the fee to be paid. An ordinance establishing a fee program is **“valid if supported by a reasonable relationship between the amount of the fee and estimated cost of services. Site-specific review is neither available nor needed.”** Neither the Government Code nor the United States Constitution requires a parcel-by-parcel determination of the amount of a developer fee applying to all developments within a city. This decision supports the concept of allowing funds to be spent within the same City Council District.

Deposits Review Report

Process

The steps leading up the final analysis of deposits provided essential information and an understanding of best practices. BRONNER's team finished collecting data on-site in early November 2017 and then began to match deposit data and copies of physical documents to the BRONNER master deposits worksheet.

Nearly all of the deposits could be broadly categorized as one of the following:

- Permit fee collected as a refundable deposit.
The fee was tied to work required to be done to a public area in proximity of a project (street improvement, sewer work, etc.);
- Permit fee collected as a non-refundable in-lieu of construction deposit.
The fee was tied to work required to be done to a public area in proximity of a project (street improvement, sewer work, etc.); or,
- Funds from the settlement of a defaulted bond that was to guarantee work (for one of the two categories listed above).

Based on this determination, a nexus between deposits and how they may ultimately be used, typically can be found since almost all deposit records have some indication of the purpose/description of the initial deposit. In cases where the original purpose is undocumented, it may be possible to trace the deposit, by date, to a code, ordinance, or impact study initiated in the Department of City Planning. In the research conducted for this study, **there was no evidence that these deposits resulted from development impact fees.**

Deposits were segregated into batches for review, based on unencumbered balance values. The four broad groups included values over \$100,000; values between \$50,000 and \$99,999; values between \$10,000 and \$49,999; and values of less than \$10,000. Due to the constraints of time/budget, the Project team was unable to collect additional details, beyond what was originally provided by the client, on deposits with values of less than \$10,000.

Deposit Groups and Total Value of Deposits by Group

\$100,000 and more	\$6,746,972	56%
\$50,000 - \$99,999	\$1,386,622	12%
\$10,000 - \$49,999	\$3,130,403	26%
Under \$10,000	\$716,760	6%
Total deposits:	\$11,980,757	

Determining Next Steps for Each Deposit

For each deposit valued at \$10,000 or more, BRONNER's team provided line-by-line Recommendations, Support for Action, and Next Steps in the spreadsheets in the Appendices I – VI. Each deposit was analyzed based on whether or not the details collected would allow the BPW to release the funds for use. If documentation for a deposit was sufficient, a recommendation was made for how the deposit could be used. If the documentation for a deposit was insufficient, a recommendation was made to pursue further investigation. It should be noted that **refundable versus non-refundable is not the determining factor in the recommendations**, as other variables affect the way a deposit should be treated. For example, a non-refundable deposit may still need to be used for the project it was intended, if the deposit was received after January 1, 1989, and therefore subject to the MFA.

For the deposits requiring further investigation, the following three scenarios are possible outcomes:

- 1) **If it is determined that the project has not been completed**, use the funds to complete the project for which it was collected (generally in-lieu of construction fees);
- 2) **If it is determined that the project has not been completed because it became unnecessary**, then refund the deposit to the current property owner, if possible. In some cases, the project address may be a street, an intersection, or part of a neighborhood, in which case a "current owner" will not be relevant. In those situations, the best option may be to use the funds for a similar project within the same neighborhood/Council District; or,
- 3) **If it is determined that the project has been completed**, transfer the deposit to the account from which funds were taken for the work, and if the project costs have been sufficiently covered, refund the balance to the current owner, if known, or gather additional information on the project to find the best nexus for use of remaining funds.

For every deposit evaluated, if the deposit had been made within the past five years, BRONNER recommends documenting the necessary details as stipulated in the MFA for a five-year plan.

Deposits Available for BPW Action

An in-depth analysis of each of the deposits with unencumbered balances identified that \$5,895,871.43 is available for immediate use. This amount is a combination of deposit balances in excess of \$10,000 with adequate documentation to justify use, and deposits valued at less than \$10,000 that were added to the Special Projects Account prior to 1989, totaling \$136,730.43. Because of the age and low value of those deposits, the risk associated with using those pre-1989 deposits is very low.

When evaluated by Council District, the deposits available for use were heavily clustered in Council Districts 4, 11, 12 and 15. The table below details the breakdown of unencumbered totals by Council District, funds available for BPW Action, and funds requiring further research.

Project Type by Council District	Sum of Unencumbered	Available for BPW Action	BOE Further Research
1	\$ 508,024.00	\$ 307,024.00	\$ 201,000.00
General Improvement	\$ 178,000.00	\$ 13,000.00	\$ 165,000.00
Sidewalk	\$ 2,100.00	\$ 2,100.00	\$ -
Street improvement	\$ 327,924.00	\$ 291,924.00	\$ 36,000.00
2	\$ 618,550.85	\$ 436,698.00	\$ 181,852.85
Sidewalk	\$ 26,429.66	\$ -	\$ 26,429.66
Street Improvement	\$ 277,121.19	\$ 144,698.00	\$ 132,423.19
Street lights	\$ 296,000.00	\$ 292,000.00	\$ 4,000.00
Unknown	\$ 19,000.00	\$ -	\$ 19,000.00
3	\$ 449,719.19	\$ 133,050.90	\$ 316,668.29
Sidewalk	\$ 15,873.11	\$ -	\$ 15,873.11
Street Improvement	\$ 433,846.08	\$ 133,050.90	\$ 300,795.18
4	\$ 1,038,176.98	\$ 653,391.09	\$ 384,785.89
Sidewalk	\$ 9,260.00	\$ 1,500.00	\$ 7,760.00
Street improvement	\$ 890,802.31	\$ 603,856.09	\$ 286,946.22
Street Lights	\$ 11,279.67	\$ 6,000.00	\$ 5,279.67
Trees	\$ 85,835.00	\$ 1,035.00	\$ 84,800.00
Unknown	\$ 41,000.00	\$ 41,000.00	\$ -
5	\$ 772,658.36	\$ 199,931.67	\$ 572,726.69
General Improvement	\$ 45,370.30	\$ 45,370.30	\$ -
Street Improvement	\$ 686,646.44	\$ 136,676.47	\$ 549,969.97
Street Lights	\$ 21,793.04	\$ -	\$ 21,793.04
Unknown	\$ 18,848.58	\$ 17,884.90	\$ 963.68
6	\$ 605,048.02	\$ 289,871.84	\$ 315,176.18
Sidewalk	\$ 67,748.35	\$ 4,400.00	\$ 63,348.35
Street improvement	\$ 449,695.90	\$ 197,868.07	\$ 251,827.83
Unknown	\$ 87,603.77	\$ 87,603.77	\$ -

Project Type by Council District	Sum of Unencumbered	Available for BPW Action	BOE Further Research
7	\$ 482,954.72	\$ 105,665.95	\$ 377,288.77
Sidewalk	\$ 11,600.00	\$ -	\$ 11,600.00
Street Improvement	\$ 430,716.61	\$ 103,915.95	\$ 326,800.66
Street Lights	\$ 6,376.38	\$ -	\$ 6,376.38
Unknown	\$ 34,261.73	\$ 1,750.00	\$ 32,511.73
8	\$ 21,250.00	\$ 1,100.00	\$ 20,150.00
Sidewalk	\$ 19,450.00	\$ 1,100.00	\$ 18,350.00
Unknown	\$ 1,800.00	\$ -	\$ 1,800.00
9	\$ 20,211.00	\$ 7,542.00	\$ 12,669.00
Sidewalk	\$ 20,211.00	\$ 7,542.00	\$ 12,669.00
10	\$ 123,988.00	\$ 100,000.00	\$ 23,988.00
Sidewalk	\$ 2,988.00	\$ -	\$ 2,988.00
Street Improvement	\$ 121,000.00	\$ 100,000.00	\$ 21,000.00
11	\$ 1,583,714.47	\$ 678,850.57	\$ 884,863.90
Sidewalk	\$ 43,249.56	\$ -	\$ 43,249.56
Street Improvement	\$ 1,486,928.27	\$ 678,850.57	\$ 808,077.70
Unknown	\$ 53,536.64	\$ 20,000.00	\$ 33,536.64
12	\$ 1,943,639.58	\$ 1,039,030.20	\$ 904,609.38
Design study	\$ 168,750.00	\$ -	\$ 168,750.00
General Improvement	\$ 40,737.26	\$ 500.00	\$ 40,237.26
Route study	\$ 244,500.00	\$ 56,250.00	\$ 188,250.00
Sidewalk	\$ 1,200.00	\$ -	\$ 1,200.00
Street Improvement	\$ 1,454,046.71	\$ 952,280.20	\$ 501,766.51
Street Lights	\$ 4,405.61	\$ -	\$ 4,405.61
Unknown	\$ 30,000.00	\$ 30,000.00	\$ -
13	\$ 264,955.80	\$ 112,660.00	\$ 152,295.80
Sidewalk	\$ 6,500.00	\$ 6,500.00	\$ -
Street Improvement	\$ 257,455.80	\$ 105,160.00	\$ 152,295.80
Unknown	\$ 1,000.00	\$ 1,000.00	\$ -
14	\$ 1,455,304.51	\$ 226,463.81	\$ 1,228,840.70
General Improvement	\$ 112,975.83	\$ 15,475.83	\$ 97,500.00
Sidewalk	\$ 3,900.00	\$ 1,800.00	\$ 2,100.00
Street Improvement	\$ 325,784.98	\$ 209,187.98	\$ 116,597.00
Street Light	\$ 5,477.74	\$ -	\$ 5,477.74
Unknown	\$ 1,007,165.96	\$ -	\$ 1,007,165.96

Project Type by Council District	Sum of Unencumbered	Available for BPW Action	BOE Further Research
15	\$ 1,485,785.29	\$ 1,059,041.07	\$ 426,745.22
Sidewalk	\$ 39,013.72	\$ 7,100.00	\$ 31,913.72
Street Improvement	\$ 717,947.91	\$ 343,612.89	\$ 374,335.02
Street Lights	\$ 6,496.48	\$ -	\$ 6,496.48
Trees	\$ 9,400.00	\$ -	\$ 9,400.00
Unknown	\$ 712,928.18	\$ 708,328.18	\$ 4,600.00
Council District Unknown	\$ 606,775.72	\$ 525,550.33	\$ 81,225.39
Sidewalk	\$ 1,917.32	\$ -	\$ 1,917.32
Street Improvement	\$ 24,219.60	\$ 17,600.00	\$ 6,619.00
Trees	\$ 20,000.00	\$ 20,000.00	\$ -
Unknown	\$ 560,639.40	\$ 487,950.33	\$ 72,689.07
TOTALS	\$ 11,980,757.49	\$ 5,295,871.43	\$ 6,084,886.06

Recommendations for Immediate Management of Deposits

To reduce the risk of non-compliant utilization of fees, any deposit held in the Special Projects Deposit Account available for use should be applied to complete the project for which it was collected, at the original project location. If that is not possible, in general, monies should be applied to fund projects that have a close geographical nexus with the original permit location, using the Council District as the default nexus. More specifically:

- If the project for which the fee collected was intended is ongoing, the deposit should be applied to the work underway for that particular project, or project(s) with like purpose at the original location if available, or within the Council District as the geographical nexus/boundary.
- If the project for which the fee was intended, or a like purpose project within the geographical nexus/boundary has been completed, the deposit should be applied to reimburse the City's cost of completing that project.
- If neither option applies (project type or location are unknown), the deposit should be used to fund projects that have a close geographical nexus to the original intent in the permit, using the Council District as the geographical boundary.

Therefore, approximately half of the funds in the Account will require some additional research before action can be taken to either to use, refund or transfer the monies. An approach to conducting that research is addressed in Observations and Recommendations later in this Report.

Policy Options for BPW Consideration

The following provides recommended guidelines for setting BPW policies in the disposition of deposits. In each case, actions are recommended, based on deposits meeting criteria list provided under each category. It should be noted that just because a deposit was documented as "non-refundable," it does not mean that it can be used freely, unless it was received before 1989. Therefore, the same nexus evaluation applies to refundable and non-refundable deposits collected after January 1, 1989. The respective spreadsheets itemizing the following deposit groups (A – F) are provided in Appendices I - VI.

A. Deposits to Use "At Will" → \$487,950.33

Pre-1989 deposits

- No project type specified, and
- No project location specified, and
- No Council District specified, and
- Non-refundable

Post-1989 deposits under \$10,000

- No project type specified, and
- No Council District specified

Road Map to Next Steps

BPW authorizes the use of said funds for any public works project in any location, or for administrative expenses tied to the management of the PWTF.

B. Deposits to Use on Any Project → \$1,533,531.73

Within Council District Specified – Pre-1989 Deposits

- No project type specified, and
- Non-refundable

Within Nexus Specified – Post 1989 Deposits

- No project type specified, and
- Nexus: 1) project location; or if not available, then 2) Council District, and
- Non-refundable

Within Nexus Specified – Post 1989 Deposits

- No project type specified, and
- Nexus: 1) project location; if not available, 2) Council District. and
- Refundable, but if stated project location is not a specific address, there is no current owner to receive refund per MFA

Road Map to Next Steps

BPW authorizes the use of said funds for any public works project, in locations to be determined by factors associated with the specific deposit, based on the variables listed above.

C. Deposits to Use in Any Council District → \$20,000

Project Type Specified – Post-1989 Deposits

- No project location, nor CD specified, and
- Non-refundable, or refundable (can only refund if project address is available, as refunds need to be made to current owner of project location per MFA)

Road Map to Next Steps

BPW authorizes the use of said funds for use in any location for public works project related to that documented with the specific deposit.

D. Deposits to Use on Specified Project Type and Specified Nexus → \$3,854,389.37

Pre-1989 Deposits under \$10,000

- Project status is unknown

Post-1989 Deposits

- Project known to be completed per notes in documentation, and
- Can be non-refundable, or refundable. If refundable, project location is an area/street, rather than specific address, and therefore, not possible to refund to “current owner” per MFA

Road Map to Next Steps

BPW authorizes the use of said funds for public works projects, based on the variables listed above, for the specified Nexus of location and project type documented with the specific deposit.

E. Deposits to Refund to Current Owner, Per MFA Requirements → \$30,000

Post-1989 Deposits

- Project is either completed, or determined to be unnecessary per notes in documentation, and
- Project address is specific and tied to singular owner

Road Map to Next Steps

BPW authorizes the Department of Public Works to determine the current owner, and to follow the guidelines for refund, specified in the Mitigation Fee Act.

F. Deposits That Require Further Investigation → \$6,054,886.06

Various Deposits (Pre-1989 and Post-1989)

- Project type unknown, but location available, or
- Location unclear, but project type known, or
- Status of completion unknown, or
- Other key data unknown

Road Map to Next Steps

BPW authorizes the Department of Public Works to conduct additional research, beginning with deposits of highest value, to determine key missing pieces of information (location, project type, status of project) to determine which action should be taken, based on the variables listed in A – E above.

A synopsis of the Policy Options listed above with associated values, based on Pre-1989 (Pre-MFA) versus Post-1989 are listed below.

Policy Option Group		Pre-1989	Post-1989	Total
A	Deposits to Use "At Will"	\$441,409.63	\$46,540.70	\$487,950.33
B	Deposits to Use on Any Project	\$524,273.96	\$1,009,257.77	\$1,533,531.73
C	Deposits to Use in Any Council District	\$0.00	\$20,000.00	\$20,000.00
D	Deposits to Use on Specified Project Type and Specified Nexus	\$291,622.00	\$3,562,767.37	\$3,854,389.37
E	Deposits to Refund to Current Owner, Per MFA Requirements	\$0.00	\$30,000.00	\$30,000.00
F1	<i>Deposits That Require Further Investigation (> \$10k)</i>	\$0.00	\$5,466,236.59	\$5,466,236.59
F2	<i>Deposits That Require Further Investigation (< \$10k)</i>	\$5,300.00	\$583,349.47	\$588,649.47
	Total	\$1,262,605.59	\$10,718,151.90	\$11,980,757.49

Observations and Recommendations

The purpose of this portion of the Final Report is to discuss observations from our review of current processes, potential consequences of current conditions, and recommendations for improvement.

I. Observation: Weakness in Process of Tracking Fee Deposits

The Department of Public Works' process for coding, segregating, tracking, refunding, and using fees deposited creates opportunities for errors through the process.

- Deposits are generally first received at a public counter, where the first document is created and coded accordingly for a project. If that intake person makes a coding error, or forgets to check a box (non-refundable, for example), or completes the form incorrectly, then the fee deposit may go down the wrong "path" through the DPW process from the start.
- Second, when the deposit is passed to the Office of Accounting (OOA), their database does not track deposits by project location or description, and therefore linking the monies in the Special Projects Deposit Account to the project after it is deposited is not possible, from the standpoint of OOA.
- Third, once the documentation goes onto the OOA, there is another risk for error, as the information is manually entered into a separate database. Because the BOE does not have access to the database used by the OOA, and vice versa, there is over reliance on a singular code that ties the deposit to the project. This process creates excessive risk for error.
- Fourth, the communication between the BOE and OOA is minimal, and the task of entering data from the BOE into the OOA system appears to be the responsibility of one person, based on our observations. This is a vulnerability in the process because they use different database systems, and it is unclear if data entry can be checked and verified. Additionally, because the technology and applications used in the two offices has changed throughout the years, there is a dependency in OOA on information held by very few people, and further turnover will potentially create even greater knowledge gaps. Establishing consistency and reliability of records may therefore involve scanning paper documents and creating electronic files.
- Finally, all of the above makes tracking deposits challenging, and increases the risk of unintentional, non-compliant actions.

Recommendations

BPW should assess and improve the process for recording information through the use of technology. The processes can be assisted if BPW utilized a technology solution that integrated information throughout DPW. An integrated solution would simplify correlating fees collected with specific permits/projects, increase transparency in the process, and provide supporting evidence in cases of litigation. The appropriate technology would also safeguard against potential problems arising from the current manual tracking and monitoring of loans made from the PWTF to other City departments.

The DPW technology should include a geospatial information system (GIS) which enables the City to layer pertinent data in order to visually track, interpret, and report key information. GIS would

also allow the BOE to determine if DPW has collected fees at a particular location, being held for the public works project associated with a private development for future completion. Investing in a new comprehensive technology solution will also result in more effective records management for permit information and ultimately provide a greener approach to managing key documentation associated with permits and fees.

L.A. County Department of Public Works demonstrated to the BRONNER project team a robust, efficient system to manage this process. Their customized system is called *Epic LA*, and is driven by *EnerGov*, a software system developed by Tyler Technologies. *EnerGov* provides transparency and seamless transfer of information across departments so that when the fee is received and an account is established, it is immediately visible to all associated departments, and supporting documentation can be uploaded and included in reports.

II. **Observation: Lacking Adherence to the Requirements of the Mitigation Fee Act**

The MFA stipulates how deposits should be managed and used, and how reports should be kept on such deposits, yet there was little evidence that some of the key elements of the MFA are being followed. Specifically, there is a distinct set of criteria outlined in the MFA for the cash payments taken in-lieu of constructing the improvements. In the event that the City does not comply with the requirements outlined in Sections 66001 and 66002 of the MFA, those payments are, in fact, refundable and must be returned to the current property owner of the address at which the improvement was intended to be constructed. While the MFA does state that commingling of funds is authorized for temporary investments, these two types of deposits should not be commingled in the same fund. The MFA further details the requirements of record-keeping, including annual review of deposits and the establishment of five-year plans for deposit expenditure.

Additionally, the current process allows the interest accumulated from the Special Projects Deposit Accounts to be transferred and used by the City. Per the MFA, upon receipt of a fee, the City is required to deposit, invest, account for, and expend the fees. For circumstances in which the fee is not expended on an improvement project, the MFA states that the fee, or any unexpended portion of the fee, as well as any interest accrued, shall be refunded to the current owner(s) of the property. There are options for refunding this money in the form of direct payments or by providing a temporary suspension of fees, but the total amount refunded to the property owner includes interest earned from the date the original deposit was made. Failure to comply with the MFA will expose the City to lawsuits if deposits are not managed according to the MFA.

Recommendations

BPW needs to establish procedures and controls such that MFA requirements and timelines become an integral part of the process of fee collection and accounts management. This will require coordination between the Department of Planning, BOE, and OOA. Guidance from the City Attorney's office will be important. **This should include separating different types of deposits into distinct accounts, and establishing a process to document deposits in a five year plan.**

III. Observation: Additional Research Needed on Deposits

The Bureau of Engineering does not seem to have the capacity to conduct the necessary research to learn the status of projects tied to the more than \$5.6 million worth of deposits unresolved in the Special Projects Deposit Account. The BPW will be unable to justify the use of those funds without supporting documentation.

Recommendations

The BPW should allocate a portion of the deposits available for use in funding the staff needed to research the status of projects, including on-site project review. The BPW can use pre-'89 deposit funds that do not have documented relationships to specific locations for funding (Policy Option A above). To streamline tracking of projects in the future, this research should also include developing a GIS layer within Navigate LA to identify project locations, and to plot/display funds available funds (Nexus for use) on improvement projects that need to be completed.

If there is a need for additional monies (above and beyond those available from pre-1989 deposits) to cover administrative expenses relating to the deposits, then the BPW should follow the process outlined in the MFA:

"If the administrative costs of refunding unexpended revenues pursuant to subdivision (e) exceed the amount to be refunded, the local agency, after a public hearing, notice of which has been published pursuant to Section 6061 and posted in three prominent places within the area of the development project, may determine that the revenues shall be allocated for some other purpose for which fees are collected subject to this chapter and which serves the project on which the fee was originally imposed."

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About BRONNER

Established in 1987 by Gila J. Bronner, BRONNER is a licensed CPA firm and certified woman owned business enterprise (WBE) focused exclusively on providing service to government agencies at the federal, state, and local levels. BRONNER has a long, successful track record of performing financial management, accounting, attestation, and related management consulting services for federal, state, and local governments. BRONNER professionals work with government to create **strategy**, assist in the **transformation** of an organization, and ensure **accountability** to oversight bodies, and other stakeholders.

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Appendices

I. Policy Option A

Bronner ID	Deposit Date	Bond No.	Uncrumb.	CD	Project Type	Project Location (Address)	Bond Receipt Dates or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
4	2/19/1988	00020838				Tr Fr BXX7089	Monies to be used to supplement other locations. This specific location is unknown.	Use funds- To be determined by Board	Pre '89-MFA. Construction completed before Mar 26, 2016, as stipulated in Bond Receipt.	BPW action
76	5/24/1999	00023615				Transferred from 347/50/3252	The project initially represented 19 deposits from developers for a total of \$39,717 but two checks bounced totaling \$4,914 made the actual deposit \$33,802. Twelve projects were completed by BSL and the remaining projects are going through the proposition 218 process.	Limited information available, and no address association. Use funds at discretion of BPW	no names, addresses associated with available records and individual deposits less than \$10K, and 18 years old	BPW Action
164	5/13/2003	00026553				Various unknown Locations	Settlement claim against liquidated surety co. "Pre-1983 money"	Use funds at discretion of BPW since represents multiple locations, multiple small deposrs. Nexus = general improvement	defaulted bond	BPW Action

II. Policy Option: B

Bronner ID	Deposit Date	Bond No.	Amount	CD	Project Name / Location	Project Description / Notes	Project Status / Information	Support for Action	Next Steps
2	1/5/2007	20032		10	Grand Avenue Between 11th and 12th Street			CRA shut down by CA Supreme Court ... dissolved in Feb. 2012, and absorbed by Dept of City Planning. Use funds in CD 10	BPW action
3	10/15/1985	22025		12	Bridge From Tamps Ave Westerly Over Litchkin Canyon	Cash bond receipt for \$65,000 dated 10-10-85: stated funds, interest, earnings to be used for construction. Funds to be held in trust account, and transferred to interest bearing account at such time as for the final Track # 41842 records. Balance of unused funds to be payable to Porter Ranch Development co (joint venture of Shapell Industries, Inc 50%, Liberty Building Co. 20%, I.N.S. Corp 25%. If worked not commenced by Mar 26, 2015, principal + earnings to be returned to joint venture in % noted.	Use funds. Ideally CD 12, but since pre-89, have flexibility	CRA dissolved	BPW action
32	7/2/2014	00029822		6	parcel PM 2004-1954	settlement case # BC539864	Use funds in CD 6	defaulted bond	BPW action
37	12/18/2009	00028690		14	3800 - 3842 Hawley Ave		Use funds in CD 14, nexus = street improvement	"principal" listed is surety and indemnity co. No other details	BPW action
87	2/24/2010	00029727		15	Beecon St, 16th St, track 43946	Default settlement on CA049685, bond ref 144C, BD permk closed in 2000	Use funds in CD 15, nexus unknown however since address is intersection, recommend general street improvements	defaulted bond	BPW Action
100	7/7/1989	00022143		11	Rose Av & 6th St Se Cor	non-refundable cash payment	Use in CD 6, nexus = street improvement since project location is intersection, and no other info available	non-refundable	BPW Action
113	7/25/2012	00029238		4	517 S. Wilton Place	non-refundable deposit	Use in CD 4, nexus at the discretion of BPW as documentation does not identify purpose	non-refundable deposit	BPW Action
114	2/19/1982	00018195		11	Santa Monica Bl & Bundy Dr-Cond #6	nonrefundable cash deposit for future construction. Cash payment in lieu of construction.	Use in CD 11, nexus at the discretion of BPW as documentation does not identify purpose	non-refundable and pre-89	BPW Action
118	3/15/2007	27838		4	6663 W. Franklin Ave	Cash payment is non-refundable	Use in CD 4. Nexus at discretion of BPW as details re: project type missing from documents		BPW Action
129	4/2/1992	00024130		5	Century City North Specific Plan, Tr Fr B9067763		Use in CD 5 at the discretion of BPW	Deposit 26 years old, and very little documentation available	BPW Action
148	7/13/2004	00026314		12	N/O Halsted St.		Use funds in CD 12, nexus at the discretion of BPW	Inadequate documentation to check status and/or provide refund	BPW Action
149	7/13/2004	00026315		12			Date, value, and sequence number of bond at same time as 26916, therefore would recommend use funds in CD 12 at discretion of BPW	Inadequate documentation to check status and/or provide refund	BPW Action
322	1/15/1987	00020146		7	Los Angeles		pre-89		BPW Action
324	9/28/1988	00021385		15	Los Angeles		pre-89		BPW Action
336	3/4/1982	00019200		12	Los Angeles		pre-89		BPW Action

III. Policy Option: C

Bronner ID	Deposit Date	Pre Post 1989	Bond No	Unencumb	CD	Project Type	Project Location (Address)	Bond Receipt Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
117	6/30/2004	Post	0002481 3		Unknown	Trees	Various Locations, Tr Fr BXX6748	Donations to be used for community Trees planting projects	Use fo community trees, no specific Council District, as limited documentation available	no names, addresses associated with available records and individual deposits small and 13 years	BPW Action

IV. Policy Option: D

Bronner ID	Deposit Date	Pte Post 1999	Bond No	Item Code	Project Title	Project Location (Address)	Fund Receipt Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
5	5/21/2012	Post	00025196	TI	Street Improvement	13488 Maxwell Ave	UFID: ESTIMATE 5 STREET TREES IN TREE WELLS. DOT conducted a Traffic Assessment Report on Feb. 3, 2005 - copy in file folder. Plan # P-37331 for St & Storm Drains only. St. Lighting plans indexed separately with Index # D-33977. Modification Letter required from DCP to waive street widening condition. Cash-in-Lieu deposit amount is \$376,000.00 in-lieu of widening Lincoln Blvd on 5/9/12. Applicant requested bond rider. Work was part of subdivision project (13470-13490 Maxwell Ave) with other related bonds. This one is identified as non-refundable	Use funds in CD 11, nexus = subdivision improvement-related projects	no documentation found to associate with permittee, nor location	BPW action
8	10/27/2014	Post	23655	4	Street Improvement	10828 Hortense St	BC204848 dated 10/15/14. Settlement checks in file paid to City of LA Dept of Public Works. 10/27/14: Settlement Case #BC548385 Riverton Villas LLC Et AL Surety Bond #7272193, \$190,000. Also refer to original bond 10499. 4/7/15: Applicant on B Permit called for refund, and was referred to City Atty	Use funds in CD 4, nexus = streets, sewers and street lights	Defaulted and settlement to DPW.	BPW action
11	7/3/1990	Post	00023037	2	Street lights	MAGNOLIA BLVD-LANKERSHIM BLVD TO TJIUNGA AVE	BSL CONFIRM COMPLETE AS-BUILT 6-16-00	BSL CONFIRM COMPLETE AS-BUILT 6-16-00	00023036, with deposit of 109,000, Bronner ID #27. In 5/14/03 BOE spreadsheet, they recommended these deposits be refunded, however, we could not locate information about permittee. Use funds in CD 2. Nexus = street lighting-related	BPW action
12	9/29/2004	Post	00026902	12	Street Improvement	1,042 TD 4395' NW/O SHOSHONE AVE	Default Settlement	Default Settlement	Post '89. Use funds in CD 12, nexus = street improvements	BPW action
15	12/16/2009	Post	00028685	4	Street Improvement	Glendale Blvd and Fletcher Dr. NW Corner	in connection with BR003004 cash in lieu of deposit, non-refundable per the district	Use funds in CD 4, nexus = street improvements/sewers	non-refundable	BPW action
17	10/2/1999	Post	00025883	6	Street Improvement	11240 Pico Blvd	non-fundable cash payment for widening of Pico by City	Use funds in CD 6, nexus = street improvement/widening	non-refundable	BPW action
18	1/13/2012	Post	00029126	1	Street Improvement	Mission Rd and 7th Street	non-refundable	Use funds in CD 1, nexus = street improvements	non-refundable	BPW action
22	5/6/1994	Post	00024706	15	Street Improvement	Pacific Avenue & Other Streets North of 26th Street	CPC 83-0387 VAC 01765 276363; MPS completed by TR 52277 BC 800280 9/5/99	that the City needed to complete. Use funds in CD 15, nexus = street improvements	Bond Tracking System indicated work completed in 1999	BPW action
27	7/3/1990	Post	00023036	2	Street lights	Magnolia Blvd - Vineland Ave to Lankershim Blvd	BSL CONFIRM COMPLETE AS-BUILT 2-1-2003	00023037, with deposit of 163,000, Bronner ID #11. In 5/14/03 BOE spreadsheet, they recommended these deposits be refunded, however, we could not locate information about permittee. Use funds in CD 2, nexus = street lighting-related projects	that completed. No permittee nor permittee address found, nor bond receipts for either project (see Bronner ID#11) Since cannot even associate precise address with project, cannot successfully find permittee through	BPW action

Bronner ID	Deposit Date	Pre-Post 1999	Fund No	Item/Account	CD	Project Type	Project Location (Address)	Bond Receipt Number or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
28	4/28/2009	Post	00026516		1	Street Improvement	11TH STREET (SOUTH SIDE) AND HOOVER STREET (1131-1147) - TRACT NO. 60174	Cash payment required per Council Motion #59 adopted 6/30/06 in the event the street widening is not possible within 5 years of the approval date of this bond, these funds will be used for related street infrastructure improvement project in the surrounding area within CD #1.	Use funds in CD 1 nexus = street infrastructure project	per Council motion #59 adopted 6/30/06	BPW action
31	6/24/1997	Post	00025279		12	Street Improvement	DEVONSHIRE ST N/S GLADE AVE TO 425 FT W/O	Confirmed complete. As-built 11/15/93.	nexus = street improvements. Although confirmed completion could mean funds should be returned to current owner, this likely in-lieu project, and Park Ambassador Homes no longer at address of record.	deposit 20 years old, permittee not in business, location not specific address	BPW action
34	7/31/1997	Post	25320		14	Street Improvement	Upperton Av EPS Nolden St W/S N/O High St	n/a	Use funds in CD 14, nexus = street improvement.	not specific address for refund. Deposit 20 years old	BPW action
42	10/15/2014	Post	00029654		7	Street Improvement	0540 Foothill Blvd SW/S 722 to 934 SE/o Vaughn St.	non-refundable. Bond default settlement pd case # BCS47901, surety bond 8166905.	use funds in CD 7, nexus = street improvement	non-refundable, bond default settlement	Document as part of MFA- required 5-year. BPW Action
44	6/6/2006	Post	00027562		11	Street Improvement	823 Bundy Dr.	Marked as non-refundable	nexus = street improvement	non-refundable and held for > 10 years	BPW action
46	2/6/1996	Post	00025020		10	Street Improvement	9733 Venice Bl & Delmas Terr	non-refundable cash payment	Use funds CD 10, nexus = street improvement	non-refundable, and deposit more than 20 years old	BPW action
47	5/8/2001	Post	00026069		3	Street Improvement	DE SOTO AVE	no records found	Use funds CD 3, nexus = street improvement	not details that would tie money to specific address. Old deposit from 2001	BPW action
49	4/15/2009	Post	00024532		14	Street Improvement	Figueras St. and La Loma Road, nr corner	surety bond CA 282936. 3/1/09 initiated bond default proceedings. Bond default agreemnt from City Attorney found. Time limits exceeded by 10 years. MCB transferred to PWTF 4873	use funds CD 14, nexus = street improvement	defaulted bond	BPW action
50	4/12/1990	Post	00022845		12	Street Improvement	Balboa Bl E/S, S/O Paso Robles Av		Use funds in CD 12, nexus = street improvement	with specific address, so refund to "current owner(s) not possible. Permittee no longer at address. Deposit 27 years old	BPW Action
51	3/10/1989	Post	00021824		13	Street Improvement	Franklin Av & Gover St Se Cor		Use funds in CD 13, nexus = street improvement	with specific address, so refund to "current owner(s) not possible. Deposit 28 years old. Permittee no longer in business	BPW Action

Bronner ID	Deposit Date	Pre-Post	Bond No.	Incumbent	CD	Project Type	Project Location (Address)	Bond Receipt Notes or Reference #	Project Manager Recommendations	Support for Action	Next Steps
52	6/28/1990	Post	00022371		12	Street Improvement	Mayerling St 1042-4395 N/w Shoshone Av		Use funds in CD 12, nexus = street improvement	with specific address, so refund to "current owner(s)" not possible. Deposit 27 years old. Permittee no longer in business	BPW Action
53	3/19/1998	Post	00025037		12	Street Improvement	Shoshone Av W/ 90-309 So Regency Way		Use funds in CD 12, nexus = street improvement	with specific address, so refund to "current owner(s)" not possible. Deposit 21 years old. Permittee no longer in business	BPW Action
54	6/29/2015	Post	00025814		3	Street Improvement	22853 DEL VALLE ST (and RIGOLETTO ST)	6/26/15 Bond default settlement case #BC547902, Surety Bond # 4363091. Failure to complete work will result in the City defaulting on the bond. As such, should the bond be defaulted upon, ALL deposits remaining in this permit WILL be forfeited to the City to cover the administrative costs referenced in LAMC 62.111 associated with completion of the improvements."	Use funds in CD 3, nexus = street improvements	Settlement Case with check paid to City of LA, Dept of Public Works	Document as part of MFA - required 5-year. BPW Action
55	6/16/1992	Post	00024201		11	Street Improvement	Barrington Av (110) & Chayote St Se Con-Cond #12	Condition #12. Non-refundable cash payment.	Use funds in CD 11, nexus = street improvement	non-refundable	BPW Action
56	6/4/2010	Post	00025712		5	General Improvement	Muholland Dr. N/S 1203' to 1713' w/o Beverly Glen Blvd	Permit BC201324. 4/30/09 letter sQB:VBent to acoting to transfer money to PwTF 4673. 5/28/09 acoting told to hold up transfer as the project might be completed. 1/13/10 since nothing done so monies are to be moved into 4872 and deficit paid	Use funds in CD 5, nexus = general public improvements	defaulted bond	BPW Action
57	10/16/1990	Post	00023256		10	Street Improvement	8th St New Hampshire Av To Ally E/o New Hampshire Av	Plans P-32159 indicated required improvements. Improvements may be constructed as building is set back far enough, however construction cost estimated at \$655,000. Therefore, refund recommended at this time. CRA Location: P-32159	Use funds in CD 10, nexus = street improvement, ideally in vicinity of 8th and New Hampshire	with specific address, so refund to "current owner(s)" not possible. Deposit 17 years old. Permittee information missing from existing documents	BPW Action
58	4/17/1990	Post	22813		1	Street Improvement	2010 E. 15th St	full width concrete sidewalk w/ curb and gutter. Improvements in accordance with adjacent properties. No improvements recommended at this time.	Use funds in CD 1, nexus = street improvement	Bond Receipt indicated not refundable and deposit 27 years old	BPW Action
59	2/26/2007	Post	27821		4	Street Improvement	1023 N. Wilcox Ave	Cash payment received and non-refundable	Use funds in CD 4. Project type unknown, and therefore flexibility for use	Bond Receipt indicated non-refundable	BPW Action
60	3/21/1995	Post	24861		11	Street Improvement	Montana Av (12230) S/w Gretna Green Way		Use funds in CD 11, nexus = street improvement	with specific address, so refund to "current owner(s)" not possible. Deposit 22 years old. Permittee no longer in business	BPW Action

Bronner ID	Deposit Date	Pre-Post 1989	Bond No	Unamcumb	CD	Project Type	Project Location (Address)	Bond Receipt Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
62	5/18/1994	Post	24707		11	Street Improvement	Jefferson Bl & Alta Rd Cantinela Av & Ballona Creek Bridges	non-refundable	Use funds CD 11, nexus = street improvement	deposit. Work not associated with specific address, so refund to "current owner(s) not possible. Deposit 23 years old	BPW Action
75	12/24/2012	Post	00025790		5	Street Improvement	Ventura Blvd & Alorzo Ave s/w corner	11/5/09 defaulted on bond and closed bc permit, and transferred all fees to mob25790 to prtf 4873. Customer never did improvements and did not waive the improvements for the DOT case ven 2000-0002. 12/5/12 - included in Oct closings	Use funds in CD 5, nexus = street improvements	Defaulted bond	Document as part of MFA-required 5 year. BPW Action
78	6/29/2015	Post	00029813		2	Street Improvement	6820 Hazeltine Ave. s/s 273' to 190' n/o Ktridge St	6/26/15 Bond default settlement paid and recorded. Refer to bond ref 9587 for original bond.	Use funds in CD 2, nexus = street improvement	defaulted bond	Document as part of MFA-required 5 year. BPW Action
81	5/13/1977	Pre	00018332		15	Street Improvement	Vermont Av Improvements	Street, trees, street lights, blow ups	Use funds CD 15, nexus = street improvements	pre-1989, in lieu of construction and no specific address on Vermont mentioned	BPW Action
82	2/16/1996	Post	00025578		12	Route study	Mayerling St (77750) SW/S Wood Ranch Rd to Jellico Ave	\$3750 per lot for study - Cash payment only	Deposit of \$30K represents 8 deposits, based on \$3750/lot, charged to developer. Use funds CD 12, nexus = street improvement	maps, the location appears to be mostly undeveloped or under development. 18 years later	BPW Action
83	6/30/2004	Post	00026272		7	Street Improvement	Astoria St & Fenton Ave	The asphaltic concrete pavement did not pass the air void ratio test. Therefore a settlement of \$30K is to be paid by KB Home to the City of LA to rectify this situation. A \$30K non-refundable fee will be pd to "the Granada Hills Sidewalk Repair Program" in lieu of repaving.	Use funds CD 7, nexus = street improvements	non-refundable and in lieu of repair	BPW Action
85	4/28/2000	Post	00025783		15	Street Improvement	220TH ST AND WESTERN AVE NE CORNER	DEFAULT SETTLEMENTS TR50564	Use funds CD 15, nexus = street improvements	defaulted bond	BPW Action
88	12/4/1979	Pre	00017713		15	Street Improvement	164TH ST & Ainsworth ST		Use funds CD 15, nexus = street improvement	years old), little documentation available, and work not associated with specific address	BPW Action
90	6/23/2004	Post	00028802		2	Street Improvement	Coldwater Canyon Ave & Sarah St NW Corner	re: lot located at 4803 - 4815N. Coldwater Canyon Ave for a maximum new 24 residential condominium units. Reclassified from 4880 - cash-in-lieu of widening street. Condition S-3(b)	Use funds CD 2, nexus = street improvement	completed on Google Maps, and deposit was cash-in-lieu of construction	BPW Action

Bronner ID	Deposit Date	Pre Post 1939	Card No.	Amount	CD	Project Type	Project Location (Address)	Legal Project Name (Reference Page)	Project Manager Recommendation	Support for Action	Next Steps
91	6/30/2004	Post	00025342		4	Street Improvement	7111 Hillside Av NS from 105' to 195' ELY RD La Brea Av		Use funds CD 4, nexus = street improvement	completed on Google Maps, and no documentation provides permittee. Also since there was no "original deposit" value, it could have been defaulted bond moved into this account.	BPW Action
93	8/11/1983	Pre	00018589		13	Street Improvement	n/o Hyperion Ave, w/o Glendale Ave	Non-refundable cash deposit for future construction. TR 54182; Condition #5-3(b)	Use funds CD 15, nexus = street improvements	refundable, in lieu of construction	BPW Action
96	2/23/1993	Post	00025583		12	Route study	Zeizeh Ave (11309) and Longeore Ave		Use funds in CD 12. Nexus = at discretion of BPW	multiple depositors for route study 16 years ago.	BPW Action
98	2/7/2002	Post	00026211		6	Street Improvement	Cedros Av W/S 620' Nordhoff St	Construct street improvements. Street lights confirmed complete. As-built 5/14/02.	Use funds in CD 8. Nexus = street improvement	Notes indicated work completed, and not tied to specific address	BPW Action
99	8/2/2014	Post	00025526		15	Street Improvement	1423 W. 219th St.	non-refundable cash payment. Receipt #66909 & 67043 (\$16,000 & \$9,306.50)	Use funds in CD 15. Nexus = street improvement	non-refundable	Document as part of MFA - required 5-year. BPW Action
102	4/17/1995	Post	00021895		15	Street Improvement	38th St & Pacific Av Se Cor		Use in CD 15, nexus = street improvement	deposit more than 20 years old, and not for specific street address.	BPW Action
103	4/26/1995	Post	00024690		13	Street Improvement	Ave. Se Corner Lexington Av & Vine St	Condition #10	Work appears complete in Google Maps. Use in CD #13, for street improvement	years old, and for general street improvement	BPW Action
106	6/1/2016	Post	00029956		2	Street Improvement	Tyrone Ave w/s 170' to 280' into Valerio St	settlement for case no. 14K07521, surety bond #435872VCA0070001S. 1/29/16 SS: Bond default settlement paid and recorded	Use funds in CD 2, nexus = street improvement	defaulted bond	Document as part of MFA - required 5-year. BPW Action
107	11/27/1974	Pre	18340		4	Street Improvement	8th St - Plymouth Bl To Lucerne Bl - Cond #3-3(1)		Use funds in CD 4, as desired since pre-83, although nexus = street improvement	deposit is pre-83, and more than 40 years old	BPW Action
109	5/15/2002	Post	00026323		12	Street Improvement	Wilbur Ave and Roscoe Blvd (SW Corner)	Default Settlement. City Planning Case 86-10952C. Grading, paving, curb, gutter, sidewalk. BC202243.	Use in CD 12, nexus = street improvement	defaulted bond	BPW Action
110	10/24/1988	Pre	00021458		2	Street Improvement	to 312' w/o Woodman Av		Use in CD 2, nexus = street improvement	pre '83 deposit, and for commercial intersection	BPW Action
111	5/8/2007	Post	00027884		11	Street Improvement	1633 Abbott Kinney Bl	taken as non-refundable cash payment for condition #35 of APCW 2005-5122	Use in CD 11, nexus = street improvement	non-refundable deposit.	BPW Action
116	6/4/1992	Post	00024182		4	Street Improvement	No to 409 Francis Av (837 S Windsor Bl)	no refund cash payment	Use in CD 4, nexus = street improvement	non-refundable	BPW Action

Bronner ID	Deposit Date	Pre Post 1989	Bond No.	Home Amt	CD	Street Type	Project Location (Address)	Bond Receipt Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
120	7/17/1990	Post	00023052		11	Street Improvement	Down Front Wk (2915-2919) & 30th Av NE Corner	Nonrefundable cash payment	Use in CD 11, nexus = street improvement	non-refundable deposit	BPW Action
125	6/19/2007	Post	00027944		5	Street Improvement	193' Sto Oregon St. 5011 Hayvenhurst Ave. (Parcel 2004-7140)	Non-refundable cash payment in lieu of improvements on Hayvenhurst	Use funds in CD 5, Nexus = street improvements	non-refundable	BPW Action
130	7/9/2003	Post	00026611			Street Improvement	217 4th Street	cash payment only, street improvement	Use at discretion of BPW nexus = street improvement	research location. In Los Angeles, there is a 217 E. 4th St. and a 217 W. 4th St. Otherwise, this address may be in Santa Monica	BPW Action
131	8/24/1998	Post	00025507		4	Street Improvement	Chandler Blvd S/S 510' to 670' W/O Fulton Ave	condition #1	Use in CD 4, nexus = street improvement	address/owner tied to project location for refund	BPW Action
132	12/13/2001	Post	00026201		4	Street Improvement	Bloomfield St S/S E/O Vineland Ave	Tract 53109	Use in CD 4, nexus = street improvement	address/owner tied to project location for refund	BPW Action
134	4/13/2000	Post	00025775		2	Street Improvement	Camarillo St N/S 550' to 300' E/O Bellflower Ave		Use in CD 2, nexus = street improvement	address/owner tied to project location for refund	BPW Action
135	6/5/1995	Post	00024908		4	Street Improvement	Laurel Av (1550) Es No Sunset Blvd	Nonrefundable Cash Payment	Use in CD 4, nexus = street improvement	non-refundable	BPW Action
136	7/22/1998	Post	00025491		3	Street Improvement	Blythe St N/S 158' to 231' W/O Geysler Ave		Use in CD 3, nexus = street improvement	address/owner tied to project location for refund	BPW Action
138	5/31/1984	Pre	00022071		2	Street Improvement	150-225 W/O Costello Av		Use in CD 2, nexus = street improvement	deposit is pre-89	BPW Action
139	8/11/2014	Post	00029625		7	Street Improvement	Foothill Blvd & Carl St NE Corner	non-refundable (as of 2/16/2017). Bond default settlement paid and recorded (September 2000).	Use in CD 7, nexus = street improvement	non-refundable default settlement	Document as part of MFA - required 5 year. BPW Action
142	11/30/1996	Post	00025145		14	General Improvement	Clarence St., 185' to 260' s/o 1st St & alley	general improvement	Use in CD 14, nexus = general improvement	no specific address/owner tied to project location for refund if completed	BPW Action
143	9/22/1992	Post	00024296		11	Street Improvement	Amherst Av Es Bet Montana Av & Goshen Av (82d Amherst Av)		Use in CD 11, nexus = street improvement	no specific address/owner tied to project location for refund if completed	BPW Action
145	6/25/1991	Post	00023695		11	Street Improvement	(801) & Park Av Se Corner	nonrefundable cash payment	Use funds in CD 11, nexus = street improvement	non-refundable	BPW Action

Bronner ID	Deposit Date	Prop Post 1989	Bond No.	Owner/Job	CD	Project Type	Project Location (Address)	Bond Receipt No. (aka link to file in Info)	Project Manager Recommendation	Support for Action	Next Steps
146	9/28/1992	Post	00024290		12	Street Improvement	Baden Av Exp & Styo Lassen St	Cash Payment Only; Condition #4	Use in CD 12, nexus = street improvement	Deposit from 1992, and no specific address tied to project location for refund if completed	BPW Action
147	3/19/1996	Post	00025096		5	Street Improvement	Calvert St S/S 245' - 348' w/o Lindley Av	confirmed complete. As-built S11186.	Use funds in CD 5, nexus = street improvement	no specific address/owner tied to project location for refund if completed	BPW Action
150	12/10/2008	Post	00028305		5	Street Improvement	8420 Blackburn Avenue 740' S/E of La Ciegne 280' SW Orlando Ave	Non-refundable cash bond	Use funds in CD 5, nexus = street improvement	non-refundable	BPW Action
151	6/26/1998	Post	00025474		3	Street Improvement	Donna Av E/S 230' to 330' S/O Hatteras St		Use funds in CD 3, nexus = street improvements	no specific address/owner tied to project location for refund if completed	BPW Action
153	3/13/1991	Post	00023492		5	Street Improvement	Deep Canyon Dr & Mulholland Dr Id	Default Bond Settlement. Tract 24946.	Use funds in CD 5, nexus = street improvement	defaulted bond	BPW Action
156	7/19/1991	Post	00023735		5	Street Improvement	Ventura Bl So & Eo Woodley Av	Nonrefundable cash payment for drain	Use funds in CD 5, nexus = drainage improvement	non-refundable	BPW Action
159	4/15/2009	Post	00022970		4	Street Improvement	side 318' to 386' SW of Cahuenga Blvd	Project abandoned. Bond default proceedings initiated in 2009. In 2000, unused fees transferred to MCB account. Also includes labor and material bond.	Use funds in CD 4, Nexus = street improvement	defaulted bond	BPW Action
160	4/28/2000	Post	00025781		5	Street Improvement	MIDVALE AVE EAST SIDE S/O CHARNOCK RD	DEFAULT SETTLEMENT TR50258. 10,000 (4/28/00) default bid & 3,033.47 (5/14/02) tr B-perm.	Use in CD 5, Nexus = street improvements	defaulted bond	BPW Action
161	3/20/1990	Post	00022768		1	General Improvement	Soandla Way & Ave 431.D.		Use in CD 1, Nexus = general improvements	no specific address tied to project location for refund	BPW Action
163	8/5/2009	Post	00028593		6	Street Improvement	14803 Vancouver St n/s 563 to 565' w/o Kester Ave	Default settlement. When closed, B-Permit fees will be transferred to this MCB account.	Use in CD 6, nexus = street improvement since project location is intersection, and no other info available	defaulted bond	BPW Action
166	8/14/1979	Pre	00017038		5	Street Improvement	125 S. Fairfax Ave		Use in CD 5, nexus = street improvement	deposit 38 years old, and not subject to MFA	BPW Action
170	10/6/1969	Post	00022375		11	Street Improvement	Maat St St Bet Aly (Speedway) & Ocean Front W/Cond #2 & 33k	nonrefundable cash payment for the construction of alley adjoining the tract, cash payment only	Use in CD 11, nexus = street improvement	non-refundable. Deposit from 1969	BPW Action
174	5/8/1989	Post	00022197		4	Street Improvement	11035 Moorpark St No & w/o Ensign Av	transferred to non-refundable cash payment fund, based on a letter of correction on December 26, 1991	Use funds in CD 4, nexus = street improvement	non-refundable, in lieu of	BPW Action
175	3/26/1993	Post	00024444		11	Street Improvement	Rose Av (650) S/s W/ 7th Ave)	non-refundable cash payment, cash payment only	Use funds in CD 11, nexus = street improvement	non-refundable	BPW Action

Bronner ID	Deposit Date	Pre-Post 1989	Bond No.	Measure	CD	Project Type	Project Location Address	Bond Receipt Number or Reference Info	Project Manager Recommendation	Support for Action	Next Steps
178	3/2/1978	Pre	00017183		4	Street Improvement	N. Hollywood Blvd, W. La Brea Ave	non-refundable cash payment in lieu of construction.	Use in CD 4, nexus = street improvement	non-refundable. Deposit Pre-1989	BPW Action
183	2/13/2015	Post	00029715		4	Street Improvement	13055 Magnolia Blvd.	Settlement Case Number, 14K07687, Artek Akopian, et al., Surety Bond Number #3490665	See Bronner ID# 176 for same depositor and location. Use in CD 4, Nexus = street improvement	defaulted bond	Document as part of MFA-required 5-year. BPW Action
198	1976/09/20	Pre	00016763		12	Street Improvement	Los Angeles		pre-89		BPW Action
199	1961/11/20	Pre	00018146		15	Street Improvement	San Pedro		pre-89		BPW Action
200	1986/03/14	Pre	00021342		15	Street Improvement	San Pedro		pre-89		BPW Action
206	1988/04/06	Pre	00020921		15	Street Improvement	San Pedro		pre-89		BPW Action
213	1988/10/31	Pre	00021470		15	Sidewalk	Harbor City		pre-89		BPW Action
215	1977/04/08	Pre	00018501		6	Street Improvement	Los Angeles		pre-89		BPW Action
220	1981/03/23	Pre	00018123		15	Street Improvement	San Pedro		pre-89		BPW Action
231	1979/05/02	Pre	00017556		2	Street Improvement	Los Angeles		pre-89		BPW Action
232	1987/02/20	Pre	00020203		4	Street Lights	Studio City		pre-89		BPW Action
235	1978/07/19	Pre	00017303		13	Street Improvement	Los Angeles		pre-89		BPW Action
236	1988/03/21	Pre	00020901		9	Sidewalk	Los Angeles		pre-89		BPW Action
241	1984/08/19	Pre	00016906		15	Street Improvement	Harbor City		pre-89		BPW Action
245	1986/06/05	Pre	00019747		4	Street Improvement	Toluca Lake		pre-89		BPW Action
277	1986/08/13	Pre	00013851		6	Sidewalk	Venture		pre-89		BPW Action
287	1983/08/28	Pre	18524		15	Street Improvement	San Pedro		pre-89		BPW Action
289	1987/12/09	Pre	00020707		15	Street Improvement	Harbor City		pre-89		BPW Action
293	1980/08/27	Pre	00017856		15	Street Improvement	Gardena		pre-89		BPW Action
298	1988/01/26	Pre	00020784		15	Street Improvement	Harbor City		pre-89		BPW Action

Bronner ID	Deposit Date	Pre Post 1989	Bond No.	Unencumbered	CP	Project Type	Project Location (Address)	Fund Receipt Number (Reference ID)	Project Manager Recommendations	Support for Action	Next Steps
306	1986/04/07	Pre	00019651			13 Sidewalk	Los Angeles		pre-89		BPW Action
312	1977/10/04	Pre	00017049			6 Street Improvement	Marina Del Rey		pre-89		BPW Action
314	1984/03/01	Pre	00018788			1 Sidewalk	Los Angeles		pre-89		BPW Action
320	1988/03/29	Pre	00020809			14 Sidewalk	Los Angeles		pre-89		BPW Action
323	1988/03/03	Pre	00020860			13 Sidewalk	Harbor City		pre-89		BPW Action
325	1986/07/29	Pre	00019823			4 Sidewalk	Harbor City		pre-89		BPW Action
330	1985/08/08	Pre	00019325			13 Sidewalk	Venice		pre-89		BPW Action
333	1985/11/18	Pre	00019474			8 Sidewalk	Venice		pre-89		BPW Action
337	1988/03/09	Pre	00020673			13 Sidewalk			pre-89		
343	1987/09/29	Pre	00020599			9 Sidewalk	Los Angeles		pre-89		BPW Action
344	1988/02/24	Pre	00020841			9 Sidewalk			pre-89		BPW Action
346	1988/06/24	Pre	00021125			4 Trees	Northridge		pre-89		BPW Action
347	1977/06/27	Pre	00016979			12 General Improvement	Sylmar		pre-89		BPW Action
351	1987/01/16	Pre	00020143			4 Trees			pre-89		BPW Action
353	1978/08/17	Pre	00017322			4 Street Improvement			pre-89		BPW Action
357	1986/03/24	Pre	00019633			9 Sidewalk	Tujunga		pre-89		BPW Action

V. Policy Option: E

Bronner ID	Deposit Date	Pre Post 1999	Bond No	Unencumb	CD	Project Type	Project Location (Address)	Bond Receipt Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
84	12/5/2003	Post	00026723	\$30,000.00	7	Unknown	11074 N Sepulveda Blvd	9/8/13 Exoneration letter prepared, and sent on 9/18/13	Project address and permittee address appear to be Toyota dealership. If funds have not been refunded, per exoneration letter, then should be to current owner.		Refund current owner
				\$30,000.00							

↓ find out if exist
 ✓ exoneration letter
 exists.

VI. Policy Option: F

Bronner ID	Deposit Date	Case No.	Amount	CD	Project Type	Project Location Address	Grant Project Name or Release Title	Project Manager/Recommendation	Status/In Action	Next Steps
1	10/31/2005	0000166T	\$362,165.96	14	Unknown	Alameda Street from 25th Street to I-10 Freeway Project/ "nine Mile" Project.		Mail contacted Street Services		waiting for BSS
6	10/3/1989	22341	\$253,500.00	11	Street Improvement	ST. MORITZ DRIVE 1838 FEET EAST OF TO RESEDA BOULEVARD - TRACT NO. 95339 - CONDITION NO. 14	Multiple bonds issued for same development. No record of completion relating to this bond number	Emailed BOE for any further info on Current Status. Post '89 deposit. If project completed, use funds in CD 11, nexus = "new improvements for public right-of-way." If not, should refund to "current owner" of record. If not readily known, should put issue public notice		Further Investigation
7	12/28/1994	00024635	\$240,198.11	12	Street Improvement	Hunt Club Ln (Pvt St) 378' No To Plummer St	10/5/96 per accounting, refund from BC201100 was used to pay off deficits on other Lyon permits	Emailed BOE for any further info on Current Status. Post '89 deposit. If project completed, use funds in CD 12, nexus = street improvement. If not, should refund to "current owner" of record. If not readily known, should put issue public notice		Further Investigation
3	7/22/2008	00025802	\$198,000.00	12	Street Improvement	Balboa/Devonshire ZC98-0103	Established in 1999, related to Conditions to Mitigate Impacts for proposed bioscience R & D center at CA State Univ. Northridge. Payment in lieu of construction in amount of \$198,000 to Balboa/Devonshire Transportation Improvement Trust Fund (to be estab & managed by BOE)	Emailed BOE for any further info on Current Status. Impact fee collected in 1999 originally. Possible that was moved into acct 4873 in 2008 after completion of work. If so, use funds in CD 12, nexus = street improvement		document as part of MFA-required 5-year. Further Investigation
10	1/13/1989	00021650	\$188,250.00	12	Route study	Track 44877, Track 7296, Track 7297, Track 45017--> transferred to 51585, Track 51835		Emailed BOE for any further info on Current Status.		Further Investigation
13	2/19/2004	00026781	\$168,750.00	12	Design study	1600 SESNON BLVD E/O BEAUFIT AVE		Emailed BOE for any further info on Current Status. If no answers, will check with Planning.		Further Investigation
14	10/5/2006	00027693	\$165,000.00	1	General Improvement	1425 & 1447 NAUD ST	Received from Storm Industries, Inc. in lieu of general improvements for the construction of Weyse St	Emailed BOE for any further info on Current Status.		Further Investigation

Bronner ID	Deposit Date	Bond No	Amount	CD	Project Type	Project Location Address	Bond Description/Notes or Reference Info	Project Manager Recommendation	Support for Action	Next Steps
16	10/20/1994	00024785	\$150,000.00	7	Street Improvement	W ENCINITAS AVE & N BLEDSOE ST; and Polk St - Edgemoor Ave to Laurel Canyon Blvd	TR 47836-Cond#9 (215520); Also see MCB24785A (TR 49228-02) for \$75,000 - future extension of Laurel Cyn Blvd. Total amt of funds in this account is \$150,000 (216023)	Emailed BOE for any further info on Current Status.		Further Investigation
19	4/1/1997	00025162	\$134,124.77	11	Street Improvement	PICO BLVD (1212) 7 BUNDY DR NW CORNER	DOT Case WLA #30-018; Work Order Unit Comments: Closed 6/3/00. Forwarded to accounting.	Emailed BOE for any further info on Current Status. Likely this was in-leu payments for work that the City needed to complete. If determine work was done, then use funds in CD 11, nexus = street improvements		Further Investigation
20	8/9/1998	00025112	\$133,800.00	7	Street Improvement	EXTENSION OF LAUREL CYN BLVD FROM APPROX 600 FT NWLY OF POLK ST TO APPROX 100 FT NWLY THEREOF		Emailed Matt Laan. In case BOE has any further info on Current Status. Likely this was in-leu payments for work that the City needed to complete, and in Bronner #16, bond #00024785. If determine work was done, then use funds in CD 7, nexus = street improvements		Further Investigation
21	4/10/2000	00024778	\$131,800.00	15	Street Improvement	1500 E LOMITA BLVD	PER AGREEMENT CITY WILL USE THIS FUNDS FOR IMPROVEMENTS	Emailed BOE for any further info on Current Status. If determine work was done, then use funds in CD 15, nexus = street improvements		Further Investigation
23	8/2/1991	00023813	\$130,000.00	6	Street Improvement	CENTURY BLVD N/S & 58TH ST S/S BELLANCA AVE TO 950' WLY THEREOF CPC 23935, CPC 23936		Emailed BOE for any further info on Current Status. Likely this was in-leu payments for work that the City needed to complete. If determine work was done, then use funds in CD 6, nexus = street improvements		Further Investigation
24	4/1/2014	00026806	\$127,870.00	4	Street Improvement	South Side Forest Lawn Dr. West of Zoo Dr.	Documents available are not clearly tied to this bond number, but same location	Emailed BOE for any further info on Current Status. Likely this was in-leu payments for work that the City needed to complete. If determine work was done, then use funds in CD 4, nexus = street improvements		Document as part of MFA-required 5-year. Further Investigation
25	4/26/2011	00029380	\$124,430.00	11	Street Improvement	11320 - 11338 W. Exposition Blvd - TR 84549	Cash in-leu of construction into PWTF 4873. This is an additional bond see Bond ref # 11289	Emailed BOE for any further info on Current Status. If determine work was done, then use funds in CD 11, nexus = street improvements		Further Investigation

Bronner ID	Deposit Date	Bond No.	Amount	CD	Project Type	Project Location (Address)	Event Receipt Notes or Other Relevant Info	Project Manager Recommendations	Support for Action	Next Steps
28	6/5/2014	00029624	\$115,491.24	3	Street Improvement	5139 Avenida Oriente	Settlement for case #SC440033 re: Shiny Sage and Simon Lov. Surety bond #B34233484. 3/3/14: SS: Bond default pd & recorded w/ 2 checks in amts \$83,000 (receipt #67087) and \$27,786.40 (receipt #67068). 3/31/2015 W.J. Applicant inquired about the settlement funds, whether if the	Although default settlement, should check with City Attorney since note seems to suggest that current owner is doing work, not the City. It's possible that current owner also paid fee to do work.		City Attorney
29	3/7/1997	00025213	\$306,000.00	5	Street Improvement	10787 MISSOURI AVE (NE corner Missouri and Malcolm)	TR 38163 - Cond #S-1, S-2, S-3; Z76070	Emailed BOE for any further info on Current Status. Likely this was in-lieu payments for work that the City needed to complete.. If determine work was done, then use funds in CDS, nexus = street improvements		Further Investigation
30	4/13/2017	MCB30272	\$97,500.00	14	General Improvement	205-215 S. State St & E. 2nd St.	n/a	Check with BOE re: status. 2017 project should have more info		Further Investigation
33	4/4/2014	00029538	\$84,800.00	4	Trees	Riverside Dr & Katherine Ave.	non refundable cash in lieu	Check with BOE. Since deposit less than 5 years old, if not done, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
35	12/28/2004	00027062	\$77,865.69	15	Street Improvement	Vermont Ave between PCH and Normandie Ave	City Council Motion: "BOE & Kaiser partnering to deliver Vermont Ave Widening between PCH and Normandie Ave... BOE will design and manage project... received and spend \$2.1M from Kaiser... deposit monies into Fund 834, Rev Source 4873"	Check with BOE re: status. If all related work complete, then consider consulting City Attorney, since there's no documentation that supports return of remaining funds, or retention of funds.		Further Investigation
36	8/19/2015	00029648	\$76,000.00	14	Street Improvement	610-630 S. St. Louis	Marked as non-refundable	Check with BOE. Since deposit less than 5 years old, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
38	3/22/1994	00024878	\$74,400.94	5	Street Improvement	Tabor St N/S Betw Dunn Dr & 3560 Clarrington Av		Check with BOE re: status, and determine current owner(s) of address. If project completed, refund to current owner(s).		Further Investigation

Bronner ID	Deposit Date	Book No.	Amount	CD	Project Type	Project Location Address	Board Receipt Notes or Notes on File	Project Manager Recommendations	Support for Action	Next Steps
39	1/18/2016	MCB30159	\$69,000.00	13	Street Improvement	816 N. Malkin Ave. 130' of Marathon St. 242' of Marathon St.	Marked as non-refundable	Check with BOE. Since deposit less than 5 years old, if not done, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
40	5/14/1999	00025812	\$65,000.00	6	Street Improvement	Satcoy St (ext) from Van Nuys Blvd to its out-de-sao terminus W/O Woodman Ave	Condition #4-funds to be used exclusively for the purchase of land related to the extension of Satcoy Street from Van Nuys Blvd to its out-de-sao terminus west of Woodman Ave.	Check with BOE if land purchased and extension complete. If so, where did funds come from to purchase property? Either transfer to appropriate account, or use in CD 6, nexus = street improvement		Further Investigation
41	8/3/2015	00029632	\$85,000.00	4	Street Improvement	13949 Magnolia Blvd n/s 105' to 205' w/o Costello Ave	Marked as non-refundable	Check with BOE. Since deposit less than 5 years old, if not done, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
43	6/24/2014	00029573	\$57,000.00	2	Street Improvement	4435 Camella Ave w/s 205' to 325' w/o Lendale St	Marked as non-refundable	Check with BOE. Since deposit less than 5 years old, if not done, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
45	6/30/2017	MCB30330	\$56,286.00	13	Street Improvement	3443 Desoranzo Dr n/s from 110' to 174' w/o Tularosa Dr	Marked as non-refundable	Check with BOE. Since a recent deposit, if not done, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
48	2/13/2014	00025512	\$53,000.00	5	Street Improvement	Valley Vista Blvd n/s 535' to 700' w/o Woodley Ave	non-refundable, cash in lieu of construction	Check with BOE. Since deposit less than 5 years old, if not done, may need to hold to complete when appropriate		Document as part of MFA-required 5-year. Further Investigation
61	7/25/2016	MCB30085	\$41,000.00	3	Sewers	18425 Tarzana Drive n/s 218' tp 280' w/o Avenida Hacienda (Gen Imp)	exoneration letter dated 4/3/2014 for \$58K	BOE... Exoneration letter for \$58K and this deposit record for \$41K more than 2 years later. Seems this remaining \$41K may need to be returned to current owner (single family home)		BOE and/or Accounting investigation. Also document as part of MFA-required 5-year.

Bronner ID	Deposit Date	Bond No.	Amount	CD	Project Type	Project Location (Address)	Fund Exempt Status or Release Date	Project Manager/Documentation	Support for Action	Next Steps
63	5/26/1993	00024437	\$40,597.00	14	Street Improvement	Santa Fe Av w/s So Santa Monica Fwy	5' dedication required to complete a 45' half right-of-way in accordance with Secondary Highway Standards. Monies to be transferred to BSS for street maintenance of this portion of Santa Fe Avenue.	Check with BOE/BSS. Likely this was in-lieu payment for work that the City needed to complete		Further Investigation
64	6/30/2004	00019221	\$40,237.28	12	General Improvement	Valley Circle Blvd at Woolsey Cjrn Rd		Check with BOE re: status. Odd that the original deposit amt is \$0.00. Perhaps default without documentation?		Further Investigation
65	6/8/2017	MCB30316	\$39,327.00	4	Street Improvement	5018 W. Rosewood Ave. w/s from 50' to 234' w/o Wilton Place	non-refundable	Check with BOE re: status. Funds should be retained and used for this project, or if completed, use funds in CD 4, nexus = street improvements	non-refundable	Document as part of MFA-required 5-year. Further Investigation
66	4/21/2014	00029623	\$39,221.51	3	Street Improvement	7234 Claire Ave	3/9/14 Bond default settlement pd & recorded. Settlement from Indemnity Company of California for Subdivision	Check with BOE re: status. Funds should be retained and used for this project, and/or if completed, used in CD 3, nexus street improvements.	defaulted bond	Document as part of MFA-required 5-year. Further Investigation
67	8/30/2004	00025382	\$37,549.48	4	Street Improvement	Tujunga Av & Dilling St, NE corner	Only bond tracking document available shows \$14,000.	Check with BOE re: status. If work completed, use funds CD 4, nexus = street improvement	Work not associated with specific address, so refund to "current owner(s)" not possible. Permittee no longer at address.	Further Investigation
68	7/16/2006	00027610	\$36,800.00	11	Street Improvement	1845 Abbot Kinney Blvd and North Venice Blvd intersection with Irving Tabor Court	also see bond # MCB27609 for \$46,300	Check with BOE re: status. If work completed, if so, refund permittee, as there is no "owner" of intersection		Further Investigation

Brunner ID	Deposit Date	Bond No	Amount	ID	Project Type	Project Location (Address)	Bond Name of Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
69	3/17/2008	00028108	\$36,000.00	1	Street Improvement	Lucas Avenue (204-210) 160' s/o Second Street	cash in lieu of construction	Check with BOE re: status. If work completed, if so, use funds CD 1, nexus = street improvement, and if not, either finish or refund permittee, if possible	Deposit in lieu of construction.	Further Investigation
70	10/28/1996	00025140	\$35,784.58	11	Sidewalk	Via Doloe W/S at Marquesas Way		Check with BOE re: status. If work completed, if so, use funds CD 11, nexus = sidewalk	Refund not possible as permittee no longer at active business. Deposit is 21 years old	Further Investigation
71	8/23/1985	00024948	\$35,740.15	5	Street Improvement	ally No 1st St Between La Brea Av & Sycamore Av-		Check with BOE re: status. If work completed, if so, use funds CD 5, nexus = street improvement	Refund not possible as permittee no longer active business. Deposit 22 years old	Further Investigation
72	8/30/1995	00024344	\$35,000.00	5	Street Improvement	La Cienega Blvd & Securn St SW corner		Check with BOE re: status. If work completed, if so, refund permittee, which is still located at address of record, as there is no "owner" of intersection		Further Investigation
73	5/12/2000	00025789	\$35,000.00	3	Street Improvement	20713 Parthenia St	non-refundable cash payment in lieu of p.v. improvement	Check with BOE re: status. If work completed, if so, use funds CD 3, nexus = street improvement	Deposit in lieu of construction	Further Investigation
74	9/22/1997	00025334	\$34,400.00	15	Street Improvement	30th St & Peak Ave, NW corner	cash payment in lieu of construction	Check with BOE re: status. If work completed, use funds CD 15, nexus = street improvement	Deposit in lieu of construction; work not associated with specific address, so refund to "out-of-pocket"	Further Investigation
77	8/30/2004	00024488	\$33,228.28	6	Sidewalk	Sunkland Bl (9000) & Penrose St NE Corner		Check with BOE re: status. Looks incomplete on Google maps. If so, use funds to complete work at location	Refund to current owner	Further Investigation
79	7/18/1991	00023742	\$32,780.00	5	Street Improvement	879 Gayley Ave & Landfair Av NW Corner	see Council Resolution dated 6-25-91 in connection with DOT - WLA93-06B. Non-refundable cash payment	Check with BOE re: status and Condition #1 requirement. If complete, use funds in CD 5, nexus = street improvements	non-refundable	Further Investigation

Bronner ID	Deposit Date	Bond No.	Amount	CD	Project Type	Project Location (Address)	Bond Receipt Notes or Reference Info	Project Manager Recommendation	Support for Action	Next Steps
80	3/6/1991	00023836	\$32,892.05	5	Street Improvement	440 Gayley Ave @ Kelton Ave & Landfair Ave	see Council Resolution dated 6-25-91 in connection with DOT - WLA90-088. Non-refundable cash payment	Check with BOE re: status and Condition #1 requirement. If complete, use funds in CD 5, nexus = street improvements	non-refundable	Further Investigation
86	4/3/2017	MCB30261	\$29,000.00	5	Street Improvement	1834 Pandora Ave., eht from 360' to 430' s/o Santa Monica Blvd	non-refundable cash bond	Check with BOE re: status. Funds should be retained and used for this project, and/or if completed, used in CD 5, nexus= street improvements.		Document as part of MFA-required 5-year. Further Investigation
87	4/4/1994	00024887	\$28,727.83	8	Street Improvement	Chase St & Langdon Ave SW corner		Check with BOE re: status. If completed, used in CD 6, nexus= street improvements.		Further Investigation
88	6/8/2007	00027921	\$28,208.88	5	Street Improvement	2255 Fox Hills Dr. W/S, S/o Kenwick Ave	cash payment for condition 93-1 TR 810. Received from Jim Obradovich, c/o Obradovich Const Co.	Check with BOE re: status and condition stated before determining destination of monies		Further Investigation
92	8/14/2016	00030047	\$27,003.88	13	Street Improvement	Preston Ave and Ewing St		Check with BOE re: status. Existing information. If completed, use funds in CD 15, nexus = street improvements		Document as part of MFA-required 5-year. Further Investigation
94	7/30/2015	00029806	\$27,000.00	11	Street Improvement	5116 S. Inglewood Blvd		Check with BOE re: status. If the project is completed and the work is associated with a property address, then refund should go to the existing property owner.		Document as part of MFA-required 5-year. Further Investigation
95	10/14/2015	00029885	\$26,640.00	11	Unknown	Broadway and 5th Ave.	Monies to be used to supplement other locations. This specific location is unknown.	Check with BOE re: status. Although the specific address seems unknown, the permittee is still an active company and can be contacted		Document as part of MFA-required 5-year. Further Investigation
101	5/20/2016	00030033	\$25,000.00	14	Unknown	2917-2937 East 1st St	3/3/16 W.J. Alejandro M left u.m. requesting bond release. Final inspection from BSS required for inspection of haul route. 6/9/16 SS: Emailed Manny Perez of BSS to request for release letter	Check with BOE re: status. If the project is completed, refund to permittee of record since work not associated with single property owner		Document as part of MFA-required 5-year. Further Investigation

Bronner ID	Deposit Date	Bond No	Amount	CD	Project Type	Project Location (Address)	Bond Receipt Notes or Reference Info	Project Manager Recommendation	Support for Action	Next Steps
104	5/27/2016	00030037	\$24,000.00	12	Street Improvement	10867 Topanga Canyon Blvd w/s 686' to 1486' into Chatsworth St	lets surety bond cert #: PB00198300008	BOE research needed. Original Bond Tracking Doc shows \$1,128,000. Original date of permit application was 7/27/2012, and bond default notice sent 5/19/16		Further Investigation
105	4/3/1992	00024127	\$23,800.00	3	Street Improvement	Marlene St/s 378' to 284' w/o Royal Av	3/27/96 - "No need to improve at this time".	Check with BOE re: status. On Google Maps, this intersection does not appear to be improved. Deposit has been held for 25 years. Either improve or use in CD #3		Further Investigation
108	1/5/2004	00028743	\$22,845.00	3	Street Improvement	Satolco St/s 495' w/o Amigo Ave		Check with BOE re: status. If the project is completed, refund to permittee of record since work not associated with single property owner		Further Investigation
112	4/20/2002	00026285	\$21,000.00	5	Street Improvement	1809-1811 Overland Ave		Check with BOE re: status. If the project is completed, refund to current owner		Further Investigation before refunding
115	7/30/1991	00023754	\$20,000.00	2	Street Improvement	N. Ventura Blvd & West Tujunga Av		Check with BOE re: status. If work complete, use in CD 2, Nexus = street improvement	Refund to current owner not possible since not specific project location.	Further Investigation
119	10/7/2016	MCB30139	\$20,000.00	12	Street Improvement	9800 White Oak Ave	original bond for \$127,000, July 2013. Notations in Bond Tracking doc include: 7/13/15 WJA Authorization to release bond granted by OCA. 7/15/15 exoneration letter emailed to Ben R. (888) 238-6669	Check with BOE and/or Accounting re: status.		Further Investigation
121	6/30/2004	00025894	\$19,887.00	11	Street Improvement	Federal Av (1631) & Idaho Ave, NW corner		Check with BOE re: status. If work complete, use in CD 11, Nexus = street improvement		Further Investigation
122	2/12/1998	00025024	\$15,158.12	5	Street Improvement	Sepulveda Bl (2558-2562) E/S Betw Exposition Bl & Richland Av	DOT Case WLA 88-0051, ZIS905	Check with BOE re: status. If work complete, use in CD 5, Nexus = street improvement		Further Investigation
123	1/3/1989	00021847	\$15,075.28	5	Street Improvement	Woodley Av w/s 580-750 So Valley Vista Bl		Check with BOE re: status. If work complete, use in CD 5, Nexus = street improvement		Further Investigation

Bronner ID	Deposit Date	Bond No.	Amount	Yr	Project Type	Project Location (Address)	Notes from Notes or Bond #101	Project Manager Recommendations	Disposition Action	Next Steps
124	2/19/2003	00026436	\$13,000.00	2	Unknown	2 Kling St. n/s 664' to 614' e/o Lantershim Blvd	Cash payment only, in lieu of construction	Check with BOE re: status. If work complete, use in CD 2, Nexus = street improvement		Further Investigation
126	10/16/1990	00023295	\$18,800.00	6	Street Improvement	Bradley Av adjoins 130-330 SED Fleetwood St (8751 Bradley Av)	15'-0" dedication required to complete a 45'-0" half right-of-way in accordance with Secondary Highway standards. Improvements not recommended as there is insufficient right-of-way to construct a half roadway to City Standards.	Check with BOE re: status. Since notes indicated that work not recommended, and on Google Maps, does not appear to be done, funds should have been refunded. Current owner is Mars Auto		Further Investigation before refunding
127	12/19/1990	00023363	\$18,700.00	2	Street Improvement	Whitsett Av E/s 180' to 130' W/o Valley Spring Ln Cond #2	Cash payment only, condition #2	Check with BOE re: status. If work complete, use in CD 2 since not tied to specific address. Nexus = street improvement		Further Investigation
128	6/23/1993	00024559	\$18,300.00	11	Street Improvement	12 Spinnaker St & Aly Sely Thersof	Condition #4. Also see MCB21545; 215033. "Permit has already met the bond requirements"	Check with BOE re: status. If work complete, refund current owner, if identifiable, or use in CD 11, nexus = street improvement		Further Investigation
133	12/10/1991	00023963	\$17,350.00	7	Street Improvement	Tujunga Canyon Pl & Foothill Bl Se Cor (8490 Foothill Bl)		Check with BOE re: status. If work complete, refund to current owner, if possible, or use in CD 7, Nexus = street improvement		Further Investigation before refunding
137	8/11/1991	00023661	\$16,459.23	5	Street Lights	National Blvd n/s between Canfield Ave & Bagley Ave	8/30/96 - Existing lighting seems sufficient. Consult Bureau of Street Lighting.	Check with Bureau of Street Lighting and if sufficient, use funds in CD 5, nexus = street lighting		Further Investigation
140	3/10/2006	00027470	\$16,000.00	10	Street Improvement	198 S. Crenshaw Blvd. Construction under "A" permit	Construction with A permit	Check with BOE re: status. If work complete, refund current owner.		Further Investigation before refunding
141	7/16/2006	00026262	\$15,300.00	11	Street Improvement	844 California Avenue		Check with BOE re: status. If work complete, refund current owner.		Further Investigation before refunding
144	6/30/2004	00025025	\$15,300.00	4	Street Improvement	Foman Av (4781) W/s 226-206 So Camarillo Pl		Check with BOE re: status. If work complete, use in CD 4 since not tied to specific address. Nexus = street improvement		Further Investigation
152	3/5/1991	00023504	\$14,367.66	2	Sidewalk	Aly No Vanowen St 255-377 E/o Longridge Av	Presently dedicated as a future alley. However, adjacent parcels on either side do not have an alley dedicated. Portion of existing building constructed within future alley turn-around. Recommended refund of monies.	Check status with BOE. Although bond notes recommend refunding money, determining current "owner" may be difficult since deposited 1991, and not tied to particular address.		Further Investigation before refunding

Bronner ID	Deposit Date	Bond No.	Amount	CD	Project Type	Project Location (Address)	Bank Receipt Notes or Reference Info	Project Manager Recommendations	Support for Action	Next Steps
154	6/30/2004	00024322	\$14,100.00	8	Sidewalk	1176 S. Main St.		Check with BOE re: status. If completed, refund current owner		Further Investigation before refunding
155	6/23/1999	00025633	\$14,867.99	7	Street Improvement	Osborne St SE/S 510' to 720' NW Osborne Pl		Check with BOE re: status. If completed, refund current owner		Further Investigation before refunding
157	10/26/1992	00024328	\$13,404.87	11	Street Improvement	La Cienega Blvd & Aly W/o 361-583 Sto Knowlton St		Check with BOE re: status. If work complete, use in CD 11 since not tied to specific address. Nexus = street improvement	Deposit from 1992, and no specific address/owner tied to project location for refund if completed	Further Investigation
158	11/22/2016	MCB30171	\$13,200.00	5	Street Improvement	1500 Beverly Dr & Cashio St	non-refundable deposit	Check with BOE re: status. If work complete, use in CD 5. Nexus = street improvement	non-refundable	Document as part of MFA--required 5 year. Further Investigation
162	12/6/2007	28117	\$13,000.00	2	Street Improvement	Huston St and Klump Avenue, SW corner	Nonrefundable Cash Bond in lieu of construction of improvements on Huston St.	Check with BOE re: status. If work complete, use in CD 2. Nexus = street improvement	non-refundable	Further Investigation
165	2/7/1994	00024656	\$12,712.15	11	Street Improvement	McLaughlin Av (4059) W/o Betw Washington Bl & Washington Pl		Check with BOE re: status. If work complete, use in CD 11 since not tied to specific address. Nexus = street improvement	Deposit from 1994, and no specific address tied to project location for refund	Further Investigation
167	3/14/1994	24671	\$12,300.00	11	Street Improvement	Chalon Rd (Pvt St) Mandeville Cyn Rd To 3085 Nelyo-Cond #34	cash payment only, condition #34	Check with BOE re: status. If work complete, use in CD 11 since not tied to specific address. Nexus = street improvement	Deposit from 1994, and no specific address/owner tied to project location for refund if completed	Further Investigation
168	5/23/1990	00022344	\$12,205.84	5	Street Improvement	Peñham Av Nes Bet Missouri Av & La Grange Av		Check with BOE re: status. If work complete, use in CD 5 since not tied to specific address. Nexus = street improvement	Deposit from 1990, and no specific address/owner tied to project location for refund if completed	Further Investigation
169	11/3/2015	00029886	\$12,000.00	11	Street Improvement	454-456 Venice Blvd	non-refundable deposit	Check with BOE re: status. If work complete, use in CD 11. Nexus = street improvement	non-refundable	Document as part of MFA--required 5 year. Further Investigation

Bronner ID	Deposit Date	Check No.	Amount	CD	Project Type	Project Location Address	Project Name/Notes (if applicable)	Project Manager/Recommendations	Support for Action	Next Steps
171	8/12/1989	00022098	\$11,428.99	9	Street Improvement	San Blas Ave W/ Iglesia Dr To 138 South		Check with BOE re: status. If work complete, use in CD 3 since not tied to specific address. Nexus = street improvement	Deposit from 1989, and no specific address/owner tied to project location for refund if completed	Further Investigation
172	4/15/1993	00024453	\$11,262.87	7	Street Improvement	Hillrose Circle N/E lys 266 337 S/E lys Hillrose St.		Check with BOE re: status. If work complete, use in CD 7 since not tied to specific address. Nexus = street improvement	Deposit from 1993, and no specific address/owner tied to project location for refund if completed	Further Investigation
173	1/23/1992	00024034	\$11,258.00	11	Street Improvement	2319 Ocean Front Walk (B 24th Av No Corner)		Check with BOE re: status. If work complete, refund to current owner		Further Investigation before refunding
176	1/5/2005	00027060	\$11,000.00	4	Street Improvement	Dickens St. n/s 330' to 330' E/o Noble Ave.	payment in lieu of construction, tract 54031	See Bronner ID 183, for same depositor and location, which was a defaulted bond. Check with BOE re: status. If work complete, use in CD 4, Nexus = street improvement	In lieu of construction	Further Investigation
177	1/20/2010	00028702	\$10,600.00	11	Street Improvement	419 Ocean Front Walk	street improvement	Check with BOE re: status. If work complete, use in CD 11, Nexus = street improvement	In lieu of construction	Further Investigation
179	6/28/1989	00022131	\$10,000.00	11	Street Improvement	Ally N/O Ventura Bl 231-350 W/o Encino Bl	cash payment only	Check with BOE re: status. If work complete, use in CD 11, since not tied to specific address. Nexus = street improvement	Deposit from 1989, and no specific address/owner tied to project location for refund if completed	Further Investigation
180	5/3/1993	00024470	\$10,000.00	5	Street Improvement	Veteran Av & Ophir Dr Ne Cor-452-460 Veteran Av		Check with BOE re: status. If work complete, use in CD 5 since not tied to specific address. Nexus = street improvement	Deposit from 1993, and no specific address/owner tied to project location for refund if completed	Further Investigation
181	1/14/2003	00028459	\$10,600.00	4	Street Improvement	7122-7124 Hollywood Blvd	cash payment only	Check with BOE re: status. If work complete, refund to current owner		Further Investigation
182	3/21/2005	00027127	\$10,000.00	4	Street Improvement	Dickens St. and Noble Ave.		Check with BOE re: status. If work complete, use in CD 4 since not tied to specific address. Nexus = street improvement	No specific address/owner tied to project location for refund if completed	Further Investigation

Bronner ID	Deposit Date	Bond No.	Programs	UP	Project Type	Project Location Address	Final Project Notes - February 1, 2018	Project Manager Recommendations	Support for Action	Next Steps
184	1993/06/18	00024507	\$ 3,788.81	11	Street Improvement	Los Angeles				
185	1989/08/13	00022105	\$ 3,757.00	6	Sidewalk	Sun Valley				
186	1992/12/28	00024383	\$ 3,660.00	11	Street Improvement	Venice				
187	1989/08/03	00022224	\$ 3,600.00	4	Street Improvement	Los Angeles				
188	1989/03/08	00021828	\$ 3,558.57	6	Sidewalk	North Hollywood				
189	1989/08/13	00025660	\$ 3,420.00	12	Street Improvement	Los Angeles				
190	2004/06/30	00022334	\$ 3,400.00	15	Street Improvement	San Pedro				
191	1991/04/15	00023566	\$ 3,300.00	6	Street Improvement	Venice				
192	1989/08/31	00022300	\$ 3,083.59	11	Street Improvement	Los Angeles				
193	2004/06/30	00022223	\$ 3,000.00	15	Street Improvement	Los Angeles				
194	1990/01/08	00022579	\$ 3,000.00	15	Street Improvement	San Pedro				
195	2004/06/30	00022082	\$ 2,823.00	15	Sidewalk	San Pedro				
196	1996/03/25	00025042	\$ 2,605.48	11	Street Improvement	Los Angeles				
197	1991/03/08	00023500	\$ 2,350.00	15	Street Improvement	San Pedro				
201	2004/06/30	00022710	\$ 2,050.00	15	Sidewalk	San Pedro				
202	2000/05/26	00025796	\$ 7,720.00	2	Street Improvement	Sherman Oaks				
203	2000/11/06	00025925	\$ 7,661.91	15	Street Improvement	San Pedro				
204	1992/02/10	00024059	\$ 7,582.00	2	Sidewalk	Burbank				
205	3/12/2009	00028493	\$ 7,539.86	Unknown	Unknown	San Fernando				

Bronner ID	Deposit Date	Fund No.	Amount	CD	Project Type	Project Location Address	Permit Receipt Notes or Reference File	Public Manager Responsibility	Support for Action	Next Steps
207	1989/08/04	00022208	\$ 7,485.00	11	Sidewalk	Venice				
208	1992/11/06	00024326	\$ 7,430.00	15	Street Improvement	San Pedro				
209	1998/08/21	00025508	\$ 7,200.00	5	Street Improvement	Los Angeles				
210	1998/08/21	00025509	\$ 7,200.00	5	Street Improvement	Los Angeles				
211	1990/01/09	00022595	\$ 7,190.98	5	Street Improvement	Valley Village				
212	2/2/2010	00028719	\$ 7,178.47	Unknown	Unknown	Los Angeles				
214	2001/11/29	00025983	\$ 7,028.00	11	Street Improvement	Los Angeles				
216	2004/08/30	00022633	\$ 7,000.00	15	Street Improvement	Santa Monica				
217	2/24/2010	00028726	\$ 6,944.08	Unknown	Unknown	Los Angeles				
218	1999/01/21	00025565	\$ 6,900.00	11	Street Improvement	Marina Del Rey				
219	1991/09/17	00023871	\$ 6,833.11	3	Sidewalk	Canoga Park				
221	1998/04/03	00025439	\$ 6,458.48	15	Street Lights	San Pedro				
222	1995/07/07	00024325	\$ 6,389.84	11	Street Improvement	Sherman Oaks				
223	1994/01/28	00024852	\$ 6,378.98	7	Street Lights	Mission Hills				
224	1995/05/04	00024895	\$ 6,359.77	2	Sewers	Studio City				
225	1993/02/17	00024422	\$ 6,300.00	6	Sidewalk	Panorama City				
226	9/28/2009	00025685	\$ 6,204.03	Unknown	Unknown	Los Angeles				
227	1990/08/18	00022331	\$ 6,190.00	15	Street Improvement	San Pedro				
228	1990/10/26	00023285	\$ 6,188.00	15	Sidewalk	Santa Monica				

Bronner ID	Deposit Date	Fund No.	Unknown	ID	Project Type	Project Location - Agency	Fund Source/Notes - February 2018	Fund Manager Recommendations	Support for Action	Next Steps
229	1989/09/03	00022323	\$ 0,100.00	7	Sidewalk	Panorama City				
230	2000/11/06	00025924	\$ 8,000.81	5	Street Improvement	Los Angeles				
233	6/30/2004	184V0000	\$ 8,000.00	Unknown	Unknown	Los Angeles				
234	1990/11/27	00023323	\$ 5,965.00	5	Street Improvement	Encino				
237	1990/03/27	00022796	\$ 5,900.00	4	Street Improvement	Los Angeles				
238	1998/07/30	00025106	\$ 5,900.00	11	Street Improvement	Venice				
239	1990/04/76	00022840	\$ 5,800.00	15	Street Improvement	San Pedro				
240	1990/09/27	00022795	\$ 5,700.00	11	Sewers	Los Angeles				
242	1990/10/04	00023235	\$ 5,500.00	7	Sidewalk	Panorama City				
243	1990/01/02	00023361	\$ 5,477.74	14	Street Light	Los Angeles				
244	10/23/2009	00025395	\$ 5,478.76	Unknown	Unknown	Los Angeles				
246	10/26/2009	00028642	\$ 5,457.37	Unknown	Unknown	Los Angeles				
247	2004/06/30	00022637	\$ 5,400.00	15	Trees	San Pedro				
248	1990/05/01	00022671	\$ 5,400.00	15	Sidewalk	San Pedro				
249	2004/06/30	00024720	\$ 5,360.00	4	Sidewalk	North Hollywood				
250	1989/04/11	00021520	\$ 5,333.61	5	Street Lights	Los Angeles				
251	1983/08/25	00018575	\$ 5,300.00	15	Street Improvement	San Pedro				
252	1995/08/07	00024936	\$ 5,299.74	4	Street Improvement	Los Angeles				
253	1997/04/07	00025206	\$ 5,279.67	4	Street Lights	Los Angeles				
254	1995/08/17	00024939	\$ 5,227.15	12	Street Improvement	San Fernando				

Bronner ID	Deposit Date	Fund No.	Amount	LD	Project Type	Project Location (Address)	Fund Receipt Notes or Reference Info	Project Manager Recommendation	Support for Action	Next Steps
274	10/27/2016	MCB30156	\$ 4,500.00	Unknown	Unknown	Los Angeles				
275	1999/01/06	00025559	\$ 4,466.44	3	Street Improvement	Tarzana				
276	1997/07/31	00025315	\$ 4,405.61	12	Street Lights	Northridge				
278	2004/06/30	00023348	\$ 4,400.00	15	Street Improvement	San Pedro				
279	1991/07/30	23762	\$ 4,275.00	15	Street Improvement	San Pedro				
280	2004/06/30	00024675	\$ 4,169.00	9	Sidewalk	Los Angeles				
281	1994/12/08	00024622	\$ 4,120.00	11	Street Improvement	Marina Del Rey				
282	2004/06/30	00022562	\$ 4,096.00	15	Street Improvement	San Pedro				
283	1990/05/04	00022639	\$ 4,000.00	2	Street Lights	Studio City				
284	2004/06/30	00024623	\$ 4,000.00	15	Trees	Venice				
285	1992/11/05	00024327	\$ 3,960.00	15	Street Improvement	San Pedro				
286	1999/04/26	25607	\$ 3,915.13	11	Street Improvement	Los Angeles				
288	1990/03/27	00022776	\$ 3,600.00	11	Street Improvement	Marina Del Rey				
290	1994/03/04	00024659	\$ 3,590.00	15	Street Improvement	San Pedro				
291	1990/09/19	00025214	\$ 3,519.00	3	Street Improvement	West Hills				
292	2004/06/30	00025044	\$ 3,394.72	15	Sidewalk	San Pedro				
294	1995/09/27	00024961	\$ 3,300.00	11	Street Improvement	Marina Del Rey				
295	1995/09/27	00024962	\$ 3,300.00	11	Street Improvement	Marina Del Rey				
298	2004/06/30	00022797	\$ 3,150.00	15	Street Improvement	San Pedro				

Bronner ID	Request Date	Event No.	Bid Amount	LF	Project Type	Project Location Address	Event Objectives/Needs/Reference Info	Project Manager/Responsible Party	Support for Action	Next Steps
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General Description: This table lists all projects that have been identified as eligible for funding from the Public Works Trust Fund. The table includes information on the project's location, type, and estimated cost. The table is sorted by project ID.

297	4/7/2003	00026525	\$ 3,000.00	Unknown	Unknown	Burbank				
298	2001/02/28	00026007	\$ 2,900.00	11	Street Improvement	Los Angeles				
300	2008/12/12	00027742	\$ 2,893.00		Street Improvement	Los Angeles				
301	2004/06/30	00021941	\$ 2,890.00	8	Sidewalk	Los Angeles				
302	1995/08/28	00024942	\$ 2,800.00	11	Street Improvement	Venice				
303	1998/05/31	00025480	\$ 2,728.00	Unknown	Street Improvement	Reseda				
304	2004/06/30	00021810	\$ 2,600.00	10	Sidewalk	Los Angeles				
305	4/7/2004	00026814	\$ 2,585.00	Unknown	Unknown	Panorama City				
307	11/18/2013	00057840	\$ 2,508.00	Unknown	Unknown	Los Angeles				
308	5/21/2015	EFC00008	\$ 2,508.00	Unknown	Unknown	San Pedro				
309	1/12/2015	EFC00011	\$ 2,500.00	Unknown	Unknown	Los Angeles				
310	2000/10/18	00025826	\$ 2,431.32	7	Unknown	Los Angeles				
311	2004/06/30	00022261	\$ 2,400.00	4	Sidewalk	Los Angeles				
313	2004/06/30	00022084	\$ 2,200.00	9	Sidewalk	Los Angeles				
315	2004/06/30	00022394	\$ 2,100.00	14	Sidewalk	Los Angeles				
316	1999/12/05	00022510	\$ 2,000.00	11	Street Improvement	Venice				
317	1993/04/26	00023632	\$ 2,000.00	4	Street Improvement	Los Angeles				
318	1995/04/26	00024893	\$ 2,000.00	11	Unknown	Los Angeles				
319	1995/03/01	00024848	\$ 1,917.32	Unknown	Sidewalk	Los Angeles				

Bronner ID	Project Date	Band No.	Priority	CD	Project Type	Project Location (Address)	Board Resolution Number/Reference ID	Project Manager/Recommendations	Support for Action	Next Steps
321	2004/05/30	00022504	\$ 1,000.00	8	Unknown	North Hollywood				
326	2000/10/25	00025915	\$ 1,458.81	15	Street Improvement	Los Angeles				
327	2004/08/30	00021758	\$ 1,400.00	8	Sidewalk					
328	5/28/1998	00025622	\$ 1,373.84	Unknown	Unknown					
329	8/13/2003	00026562	\$ 1,307.51	Unknown	Unknown					
331	2004/06/30	00022392	\$ 1,300.00	9	Sidewalk	Northridge				
332	1990/04/12	00022846	\$ 1,200.00	12	Sidewalk	Los Angeles				
334	1989/01/10	00021678	\$ 1,100.00	11	Street Improvement	San Pedro				
335	1994/10/31	00024797	\$ 1,084.21	15	Street Improvement	Los Angeles				
338	12/19/2013	00026517	\$ 1,000.00	Unknown	Unknown					
339	2014/08/12	00028866	\$ 1,000.00	Unknown	Sewers	Los Angeles				
340	1991/08/29	00023829	\$ 963.88	5	Unknown	Los Angeles				
341	1992/11/03	00024334	\$ 963.84	5	Street Improvement					
342	9/20/1999	00023876	\$ 919.81	Unknown	Unknown	Los Angeles				
345	9/25/2003	00021528	\$ 758.92	Unknown	Unknown	Los Angeles				
348	1998/04/22	00025441	\$ 500.00	7	Street Improvement	Los Angeles				
349	2004/08/30	00020460	\$ 388.00	10	Sidewalk	Wilmington				
350	1990/07/11	00023032	\$ 350.00	15	Sidewalk	Los Angeles				
352	8/14/2009	CF091499	\$ 233.19	Unknown	Unknown	Los Angeles				

Bronner ID	Deposit Date	Roll No.	Amount	CD	Project Type	Project Location Address	City	County	Project Manager	Business Unit	Support for Action	Next Steps
354	4/23/2002	B-XX7340	\$ 153.25	Unknown	Unknown	Pacoima						
355	2009/03/16	00026436	\$ 80.81	7	Unknown							
356	4/1/1994	00024681	\$ 78.36	Unknown	Unknown	Los Angeles						
358	1990/05/09	00022908	\$ 53.42	2	Street Improvement							
359	4/15/2003	00026536	\$ 1.04	Unknown	Unknown							
360	2014/06/04	00017549	\$ (52,000.00)	4	Street Improvement	Los Angeles						
Unknown Status Total			\$ 6,054,688.06									

VII. Survey of Comparable California Municipalities

Survey Method: SurveyMonkey.com, on-line survey

Target Group: Public Works managers (finance, engineering, planning)

Survey Sent: August 14, 2017

Total Sent/# of Responses: 96 sent / 25 responses

Question 1: In what City or County are you employed?

Responses - Cities			Responses - Counties
Anaheim	Glendale	Sacramento	Alameda
Bakersfield	Irvine	San Francisco	Los Angeles
Compton	Los Angeles	San Jose	Riverside
Culver City	Moreno Valley	Santa Clarita	San Francisco
Fremont	Oxnard	Santa Monica	Santa Clara
Fresno	Rancho Cucamonga		

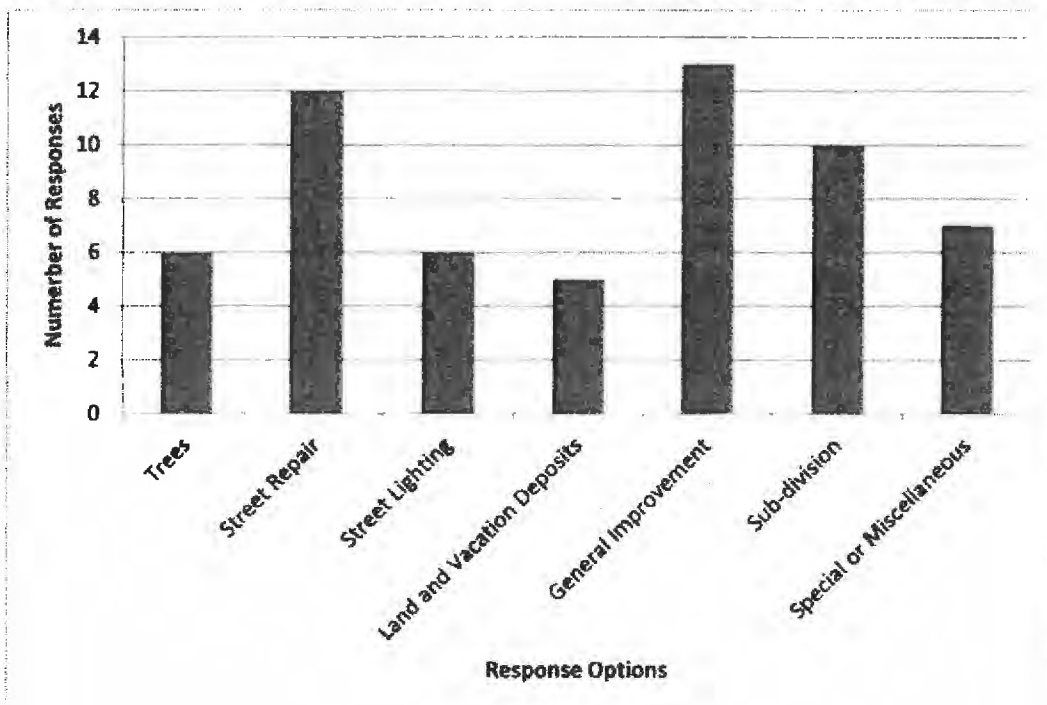
Question 2: What is the name of your Department?

Response	Count
Department of Building Permits and Inspections	1
Department of Construction & Development Services	1
Department of Development Services	1
Department of Engineering Services	1
Department of Planning	1
Department of Public Works	16
Department of Public Works & Land Development	1
Department of Roads & Airports	1
Transportation Land Management Agency	1
TOTAL RESPONSES	25

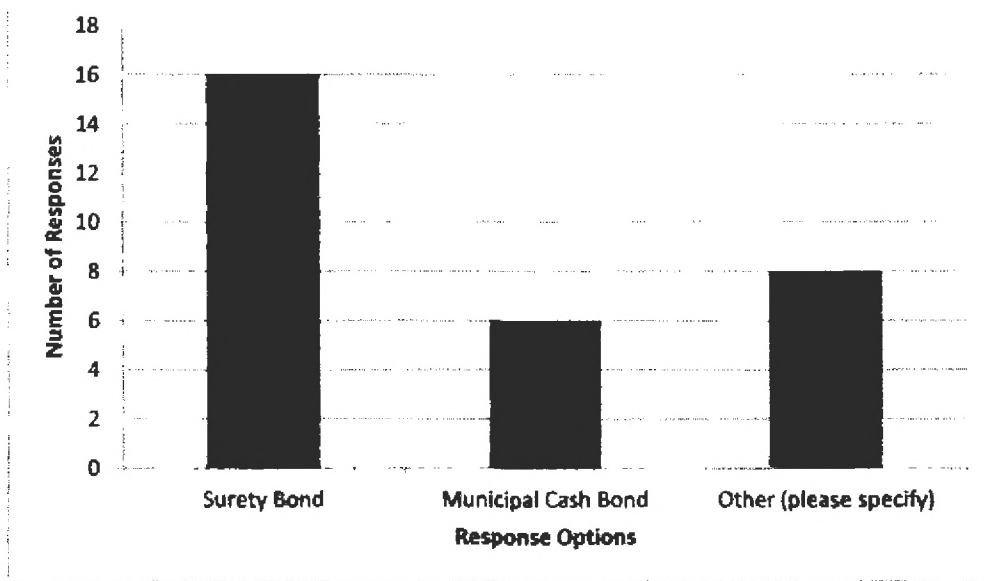
Question 3: What is your job title?

Response	Count	Response	Count
Administrative Services Manager	1	Management Analyst III	1
Assistant City Engineer	2	Permit Technician	1
Assistant Director	1	Principal Civil Engineer	4
Chief Building Official	1	Project Development Coordinator	1
Civil Engineer IV	1	Public Works Manager	1
Deputy Director	2	Regional Office Manager	1
Deputy Director of Public Works	1	Right-of-Way Coordinator / Supervisor	1
Director	1	Senior Civil Engineer	3
Division Manager	1	Senior Engineer	1
TOTAL RESPONSES			25

Question 4: Does your City/County collect deposits for issuing the following types of permits? Check all that apply.



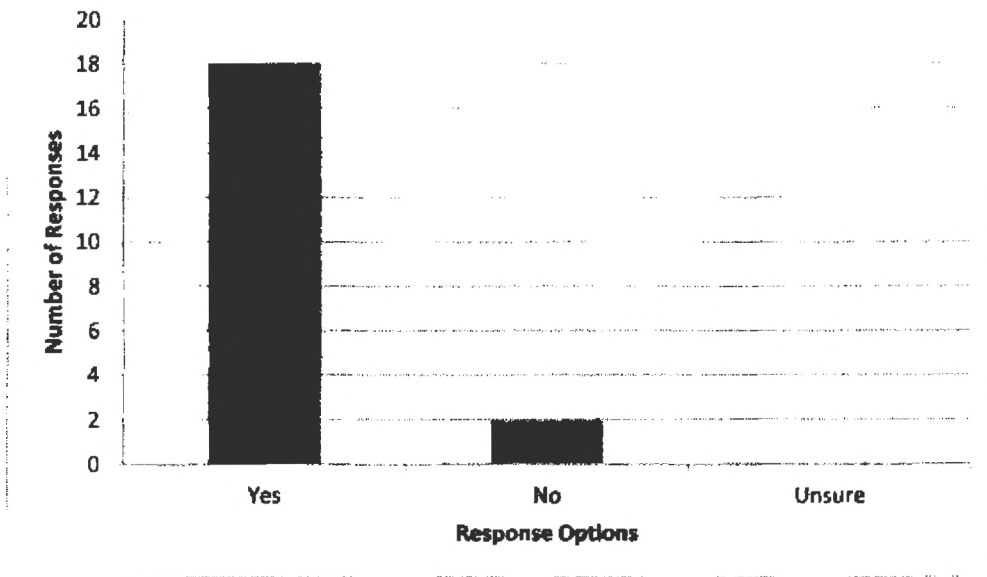
Question 5: Does your City/County accept surety bonds and/or Municipal Cash Bonds (MCBs) to guarantee the permitted work? Check all that apply.



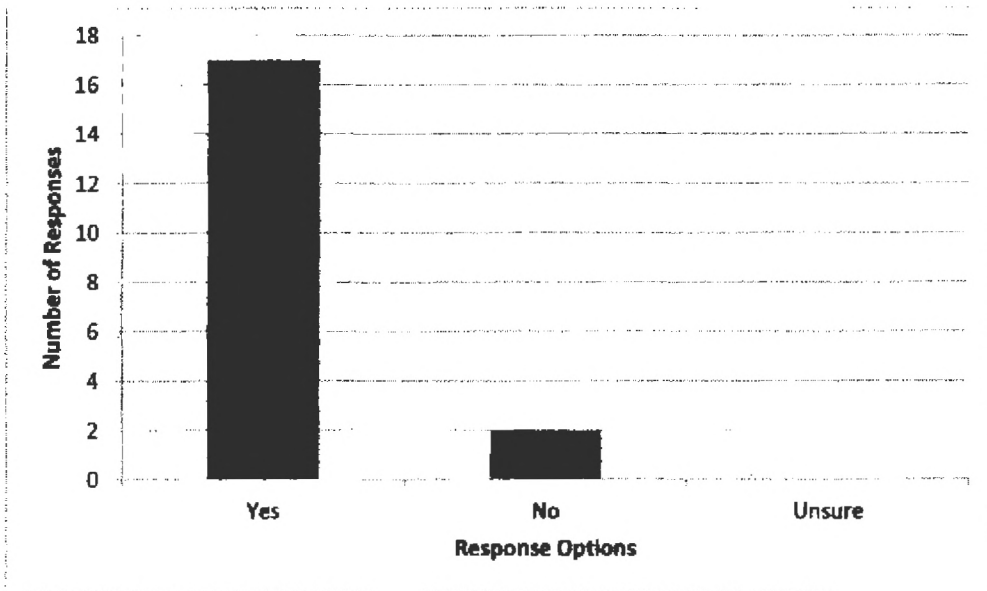
Other responses by survey participants:

Response	Count
Cash/checks	3
Certificates of Deposit	2
Letters of Credit	6
Cashier's Check	3
Performance, maintenance, and excavation bonds	1

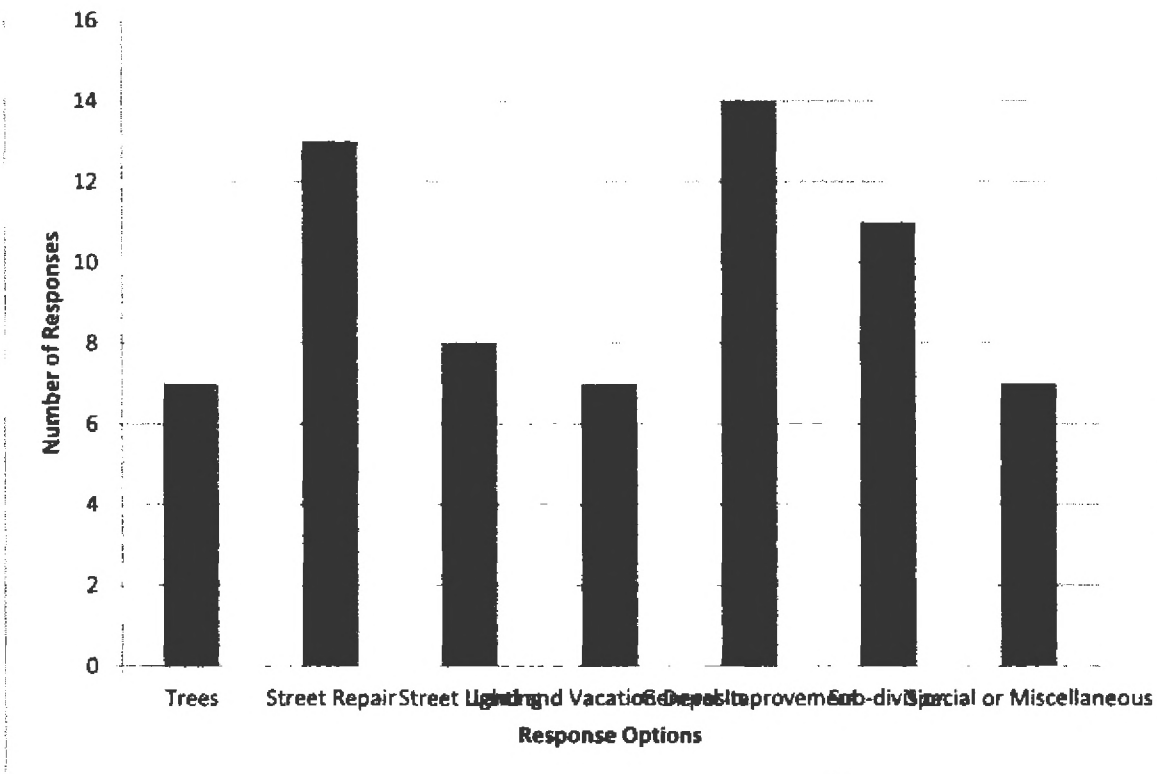
Question 6: Does your City/County have a standard process for handling deposits received for issuing permits?



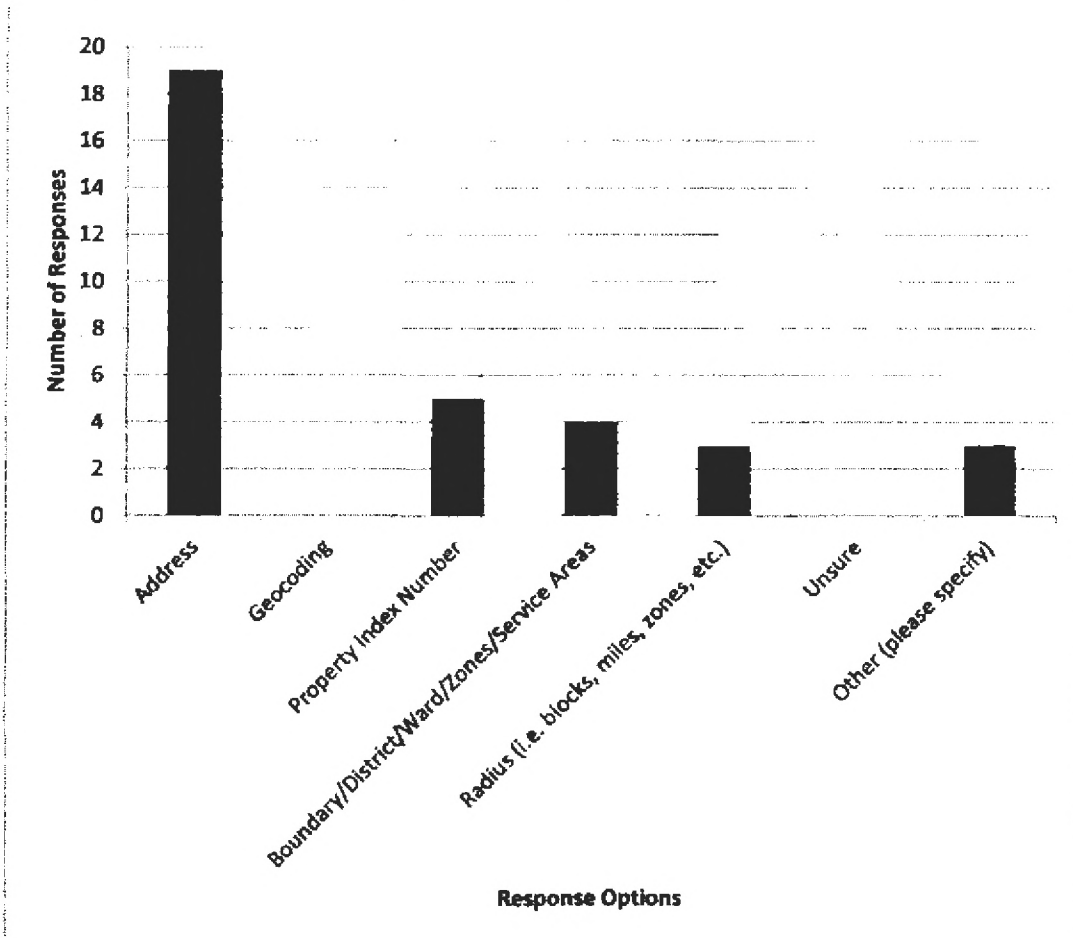
Question 7: Are developers/contractors typically required to improve the public right-of-way as a condition for their permit?



Question 8: Does your City/County have standard processes for categorizing the intended project purpose for the following permit types? Check all that apply.



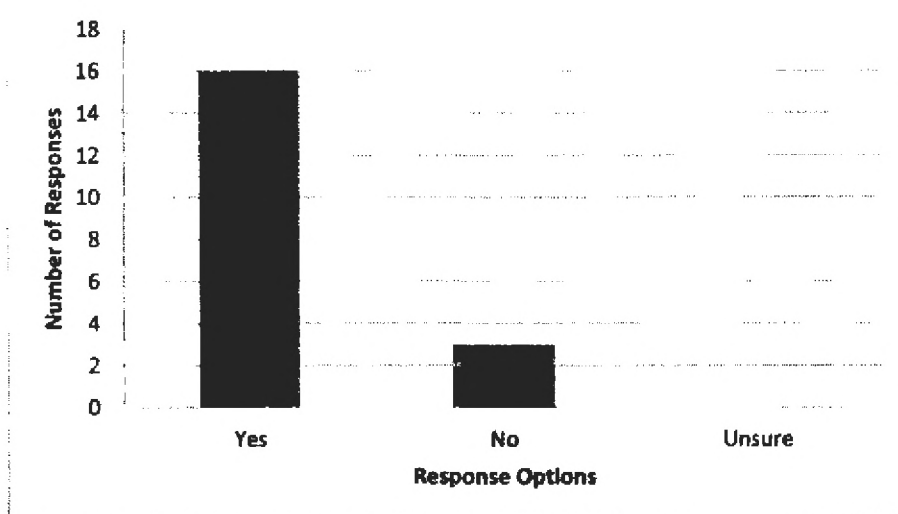
Question 9: Which of the following methods does your City/County use for linking (reasonable connection/nexus) a permit deposit to the physical location of the project? Check all that apply.



Other responses by survey participants:

Response	Count
Assessor's parcel number	3

Question 10: If the work specified in the permit is successfully completed, does your City/County have a standard process for refunding the deposit to the contractor/developer?

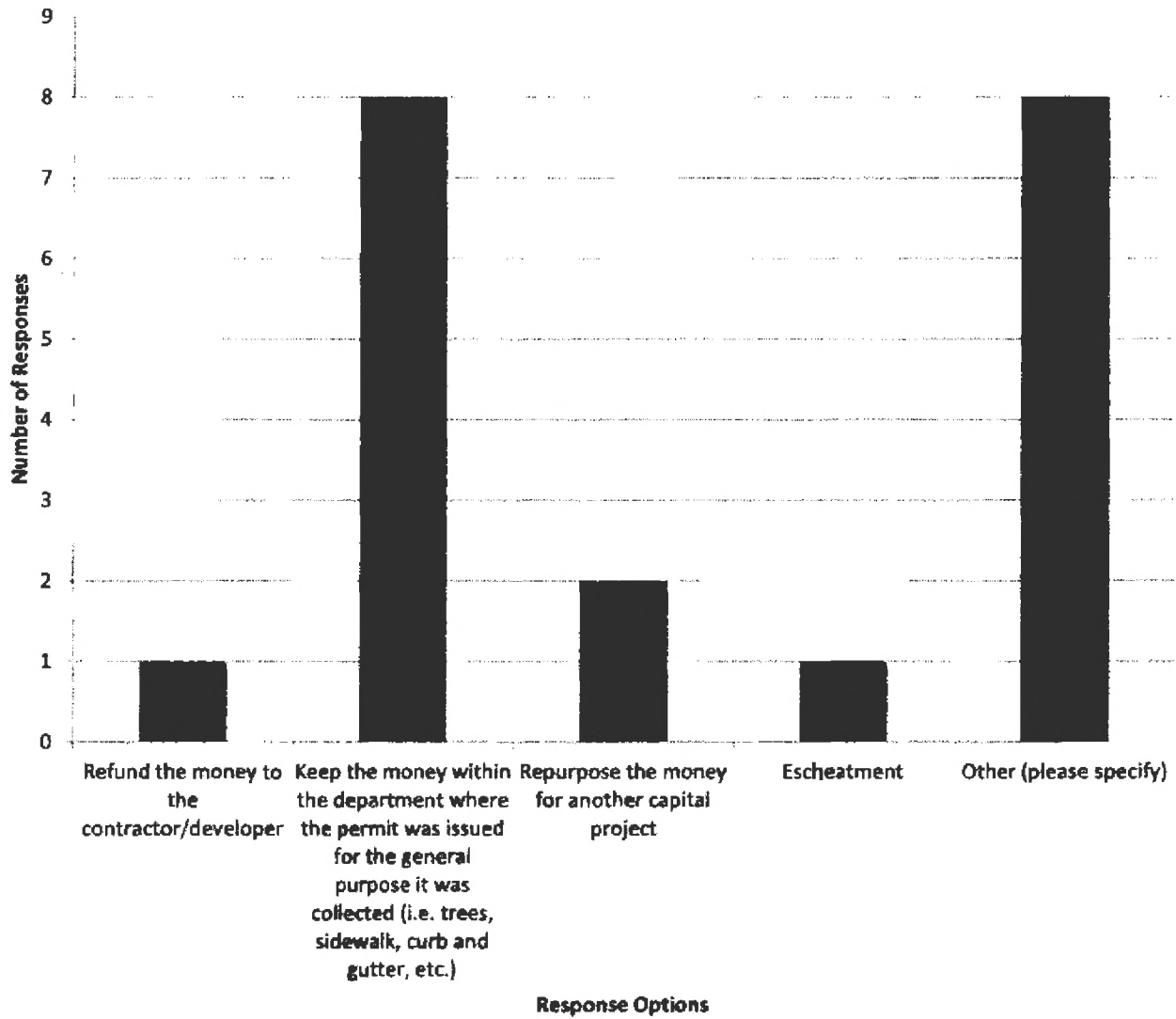


Follow-up to question 10: If yes, what is the time frame in triggering the refund process for project(s) that were never started?

Other responses by survey participants:

Response	Count
After project completion	4
After final inspection	2
After applicant request	2
After project completion, pending work review	1
Two to four weeks	1
30 to 45 days	1

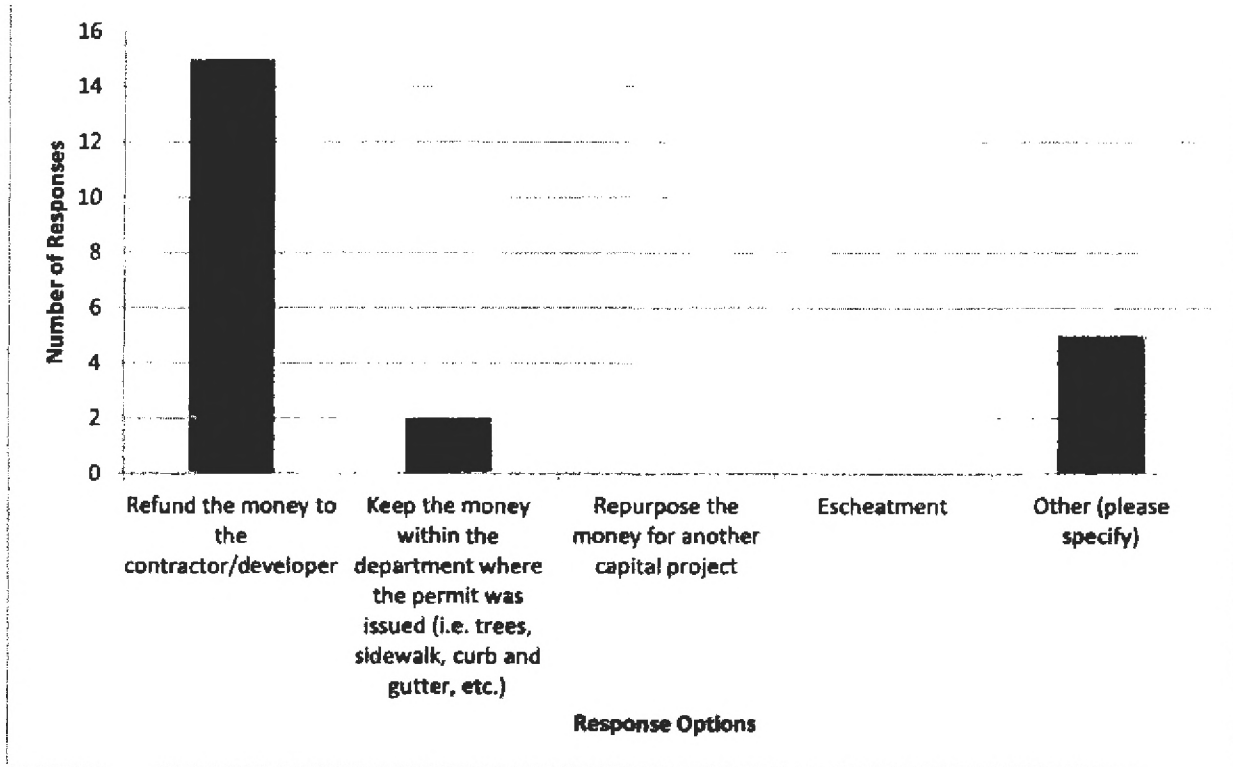
Question 11: In the event that the contractor/developer fails to meet the terms and conditions of the permit, which of the following actions does your City/County take? Check all that apply.



Other responses by survey participants:

Response	Count
Require completion of work	2
Hold Certificate of Occupancy	2
Actions depend on project details	2
Reissue permit	1
Credit deposit towards total cost of permit fees	1

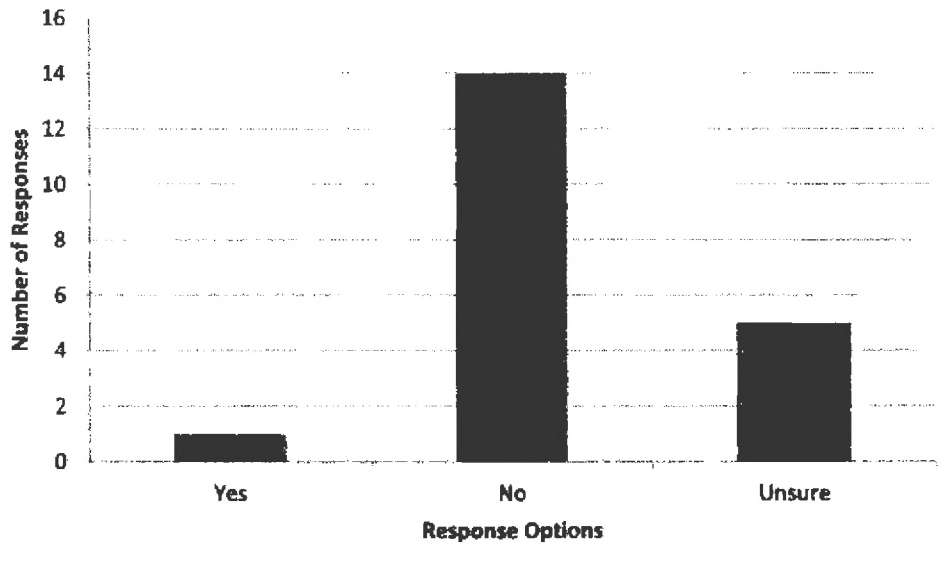
Question 12: In the event that the project is never started, which of the following actions does your City/County take? Check all that apply.



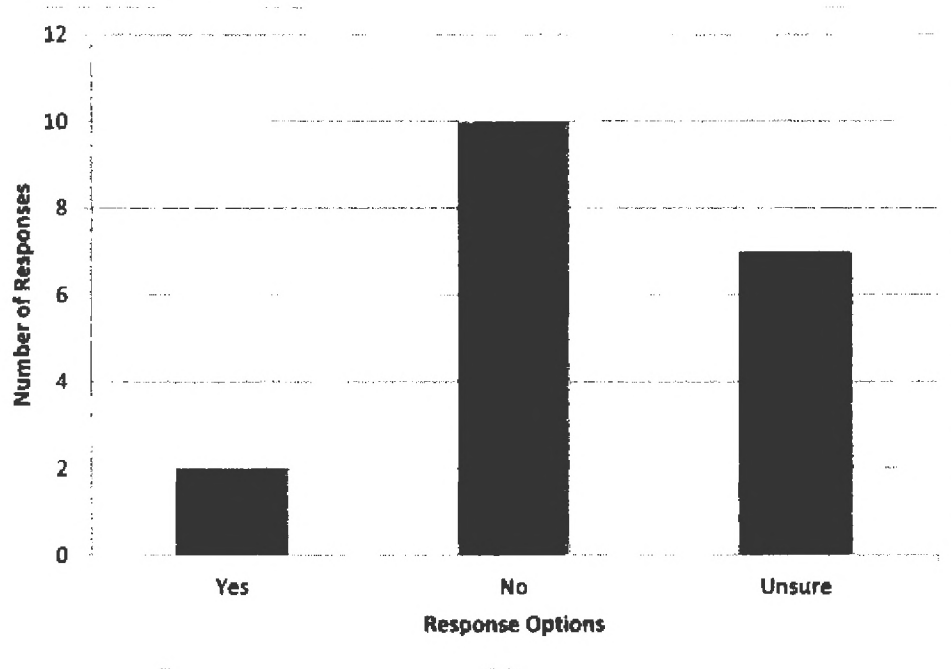
Other responses from survey participants:

Response	Count
Refund inspection deposit, but not plan check fee	1
Depends on issuance of bonds	1
Refunds only occur if no building permits are issued or subdivision has not occurred	1
No collection is taken until excavation permit is processed	1
Credit deposit towards total cost of permit fees	1

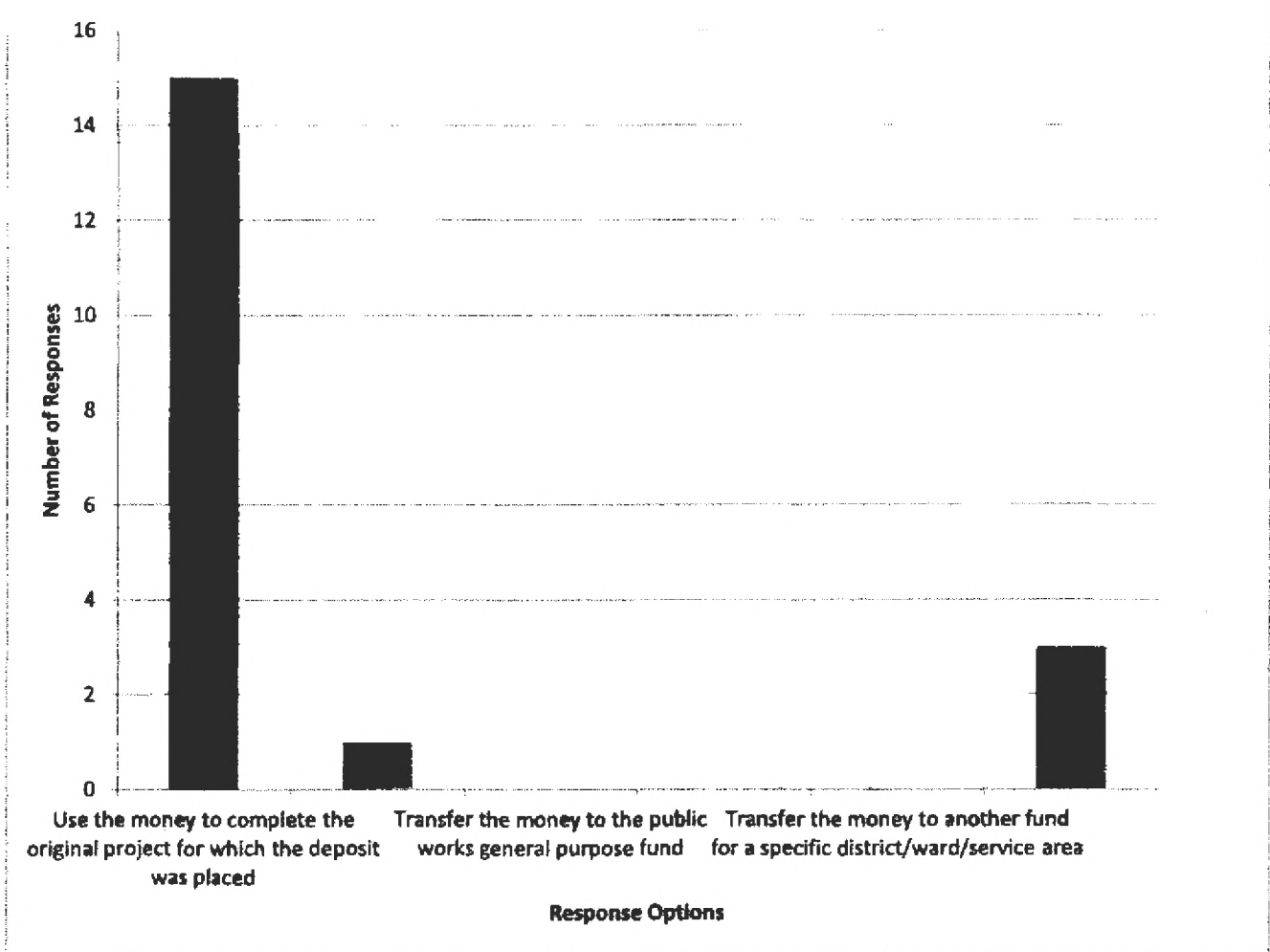
Question 13: Does your City/County maintain a line item for a Public Works Capital Improvement Program using permit deposits?



Question 14: Does your City/County use monies from defaulted bond deposits to fund public works projects that are part of the Capital Improvement Plan?



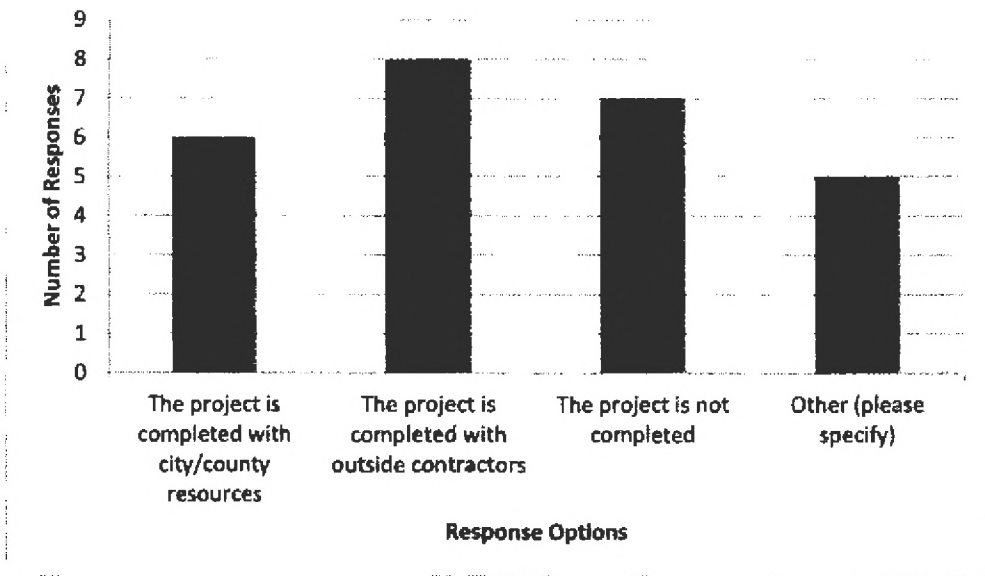
Question 15: If a bond has defaulted, how does the City/County allocate the funds? Check all that apply.



Other responses from survey participants:

Response	Count
Not Applicable	2
Unsure	1

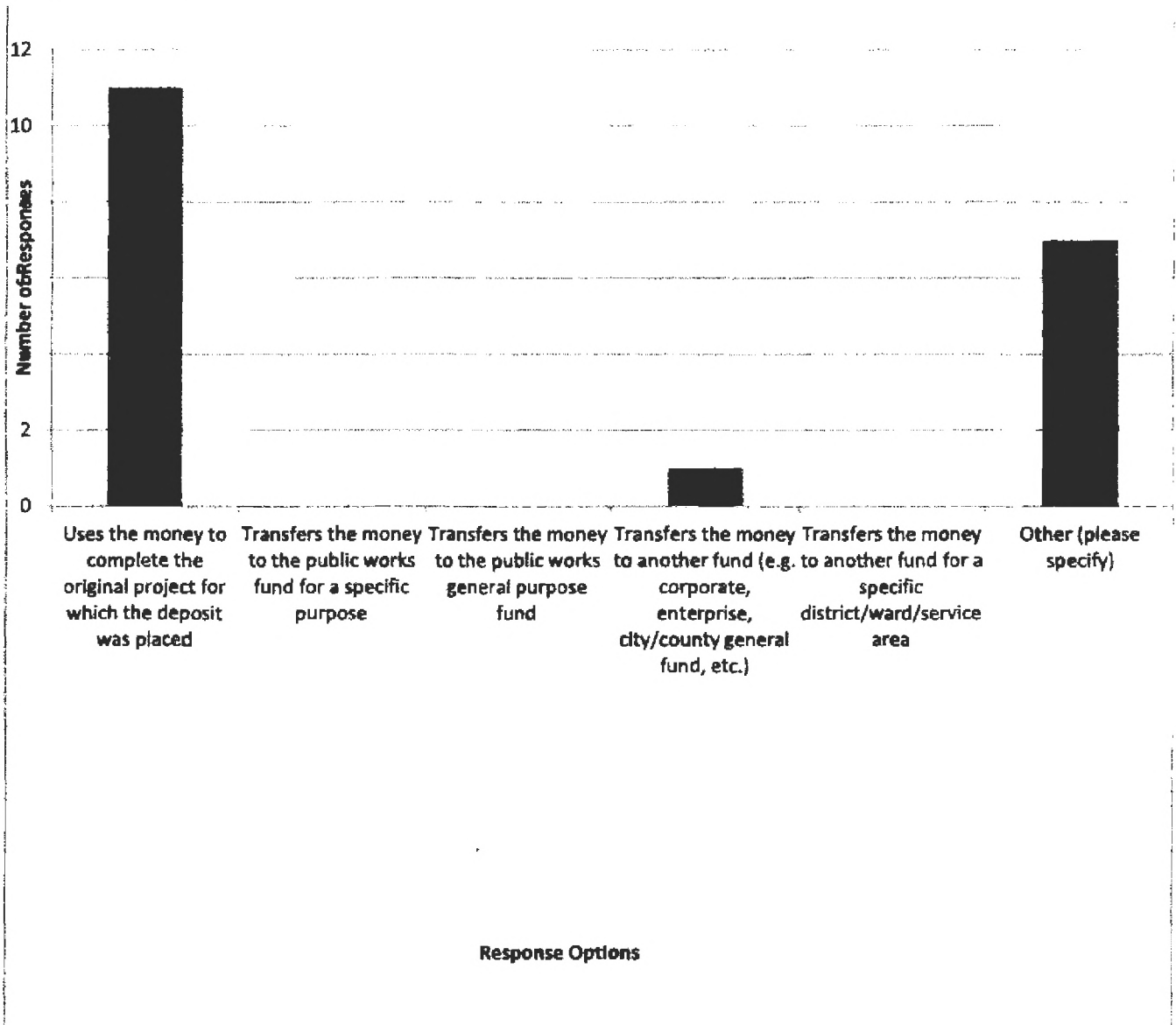
Question 16: If the bond has defaulted, which of the following occurs? Check all that apply.



Other responses from survey participants:

Response	Count
Require permit holder to complete work	1
Project is completed with bond funds and potentially revised to limit additional project expenditures	1
Collection is pursued only when "a life-threatening situation occurs"	1
Not Applicable	2

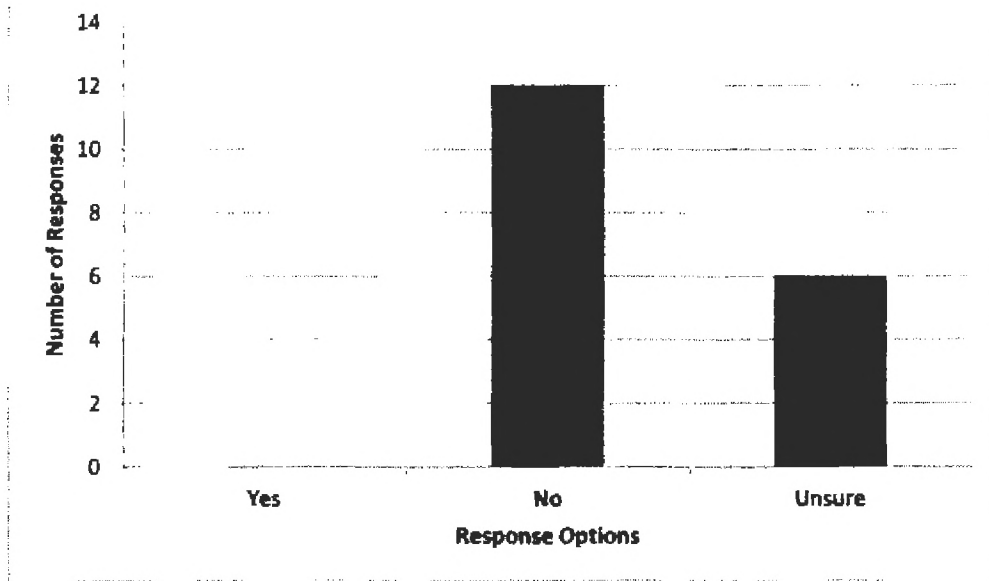
Question 17: If the total project costs less than the amount of the defaulted bond, how does the City/County allocate the surplus funds?



Other responses from survey participants:

Response	Count
Use project funds to complete original project	1
Return surplus funds	1
Not Applicable	4
Unsure	1

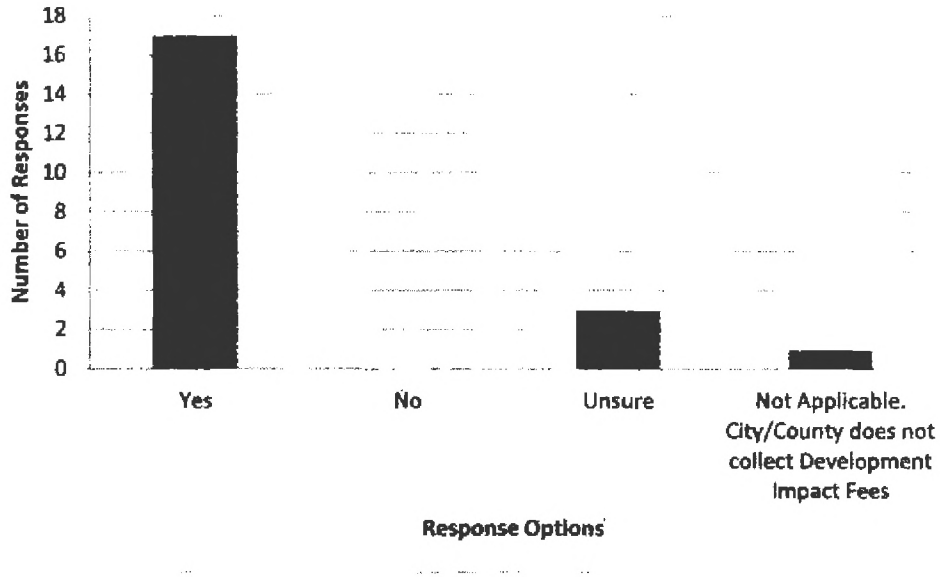
Question 18: Does your City/County stipulate a geographic radius for using the monies from defaulted bonds? If yes, please provide details.



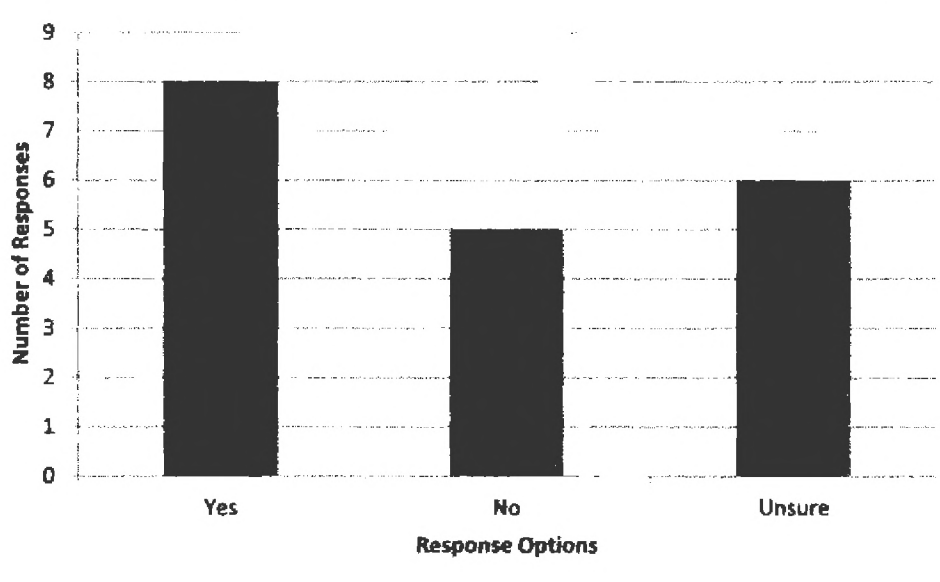
Question 19: Please explain how your City/County establishes "reasonable relationships" based on the Mitigation Fee Act.

Response	Count
Nexus Study	4
Impact fee study	5
Traffic study	2
Master Project Plan	1
Responsibility of another Department	3

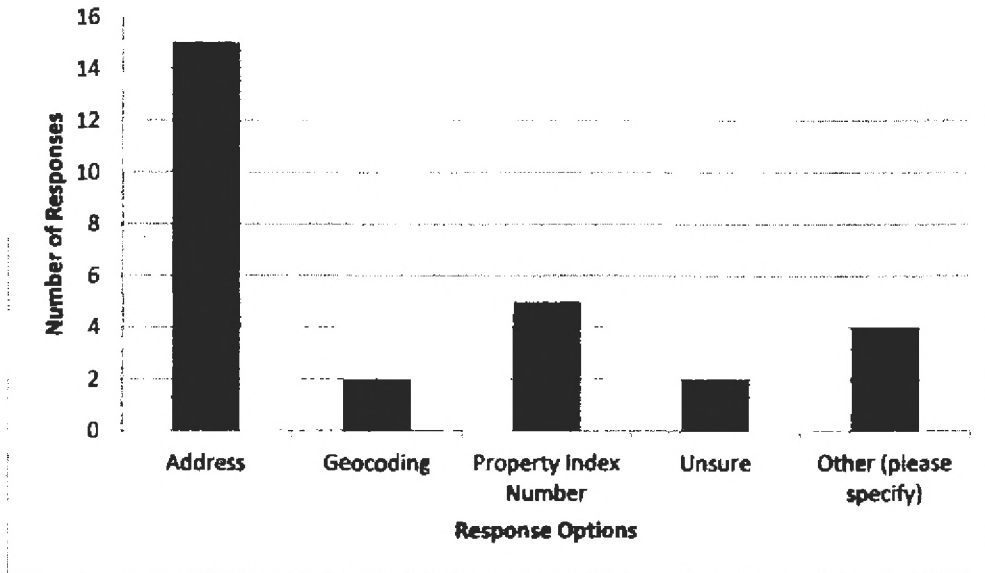
Question 20: Does your City/County separate permit deposits from Development Impact Fees?



Question 21: Does your City/County use Development Impact Fees for public improvement projects exclusively?



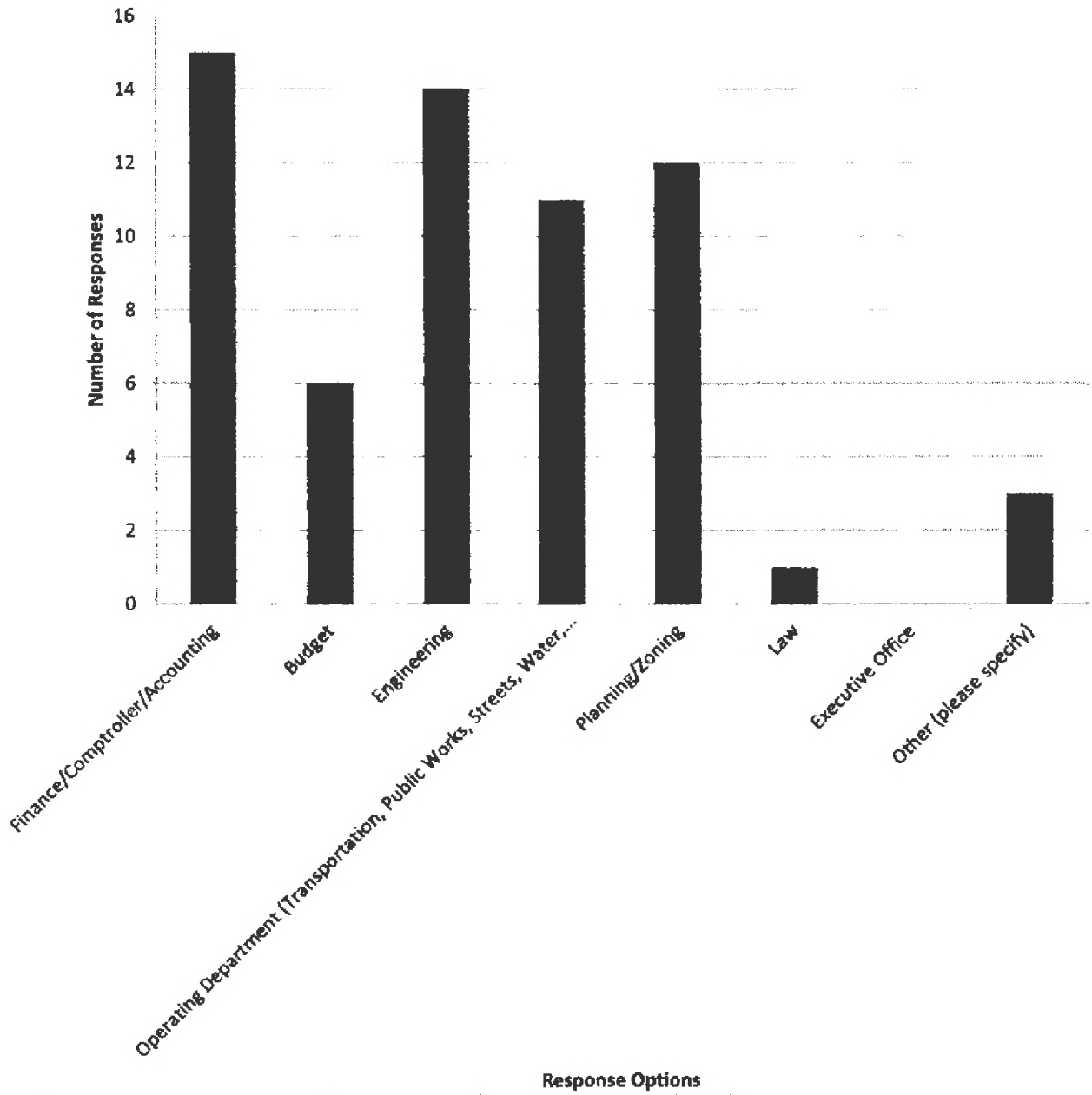
Question 22: Which of the following methods does your City/County use to link a Development Impact Fee to the physical location of the project? Check all that apply.



Other responses from survey participants:

Responses	Count
Engineering studies	1
Name of location	1
Assessor's parcel number	1
Not Applicable	1

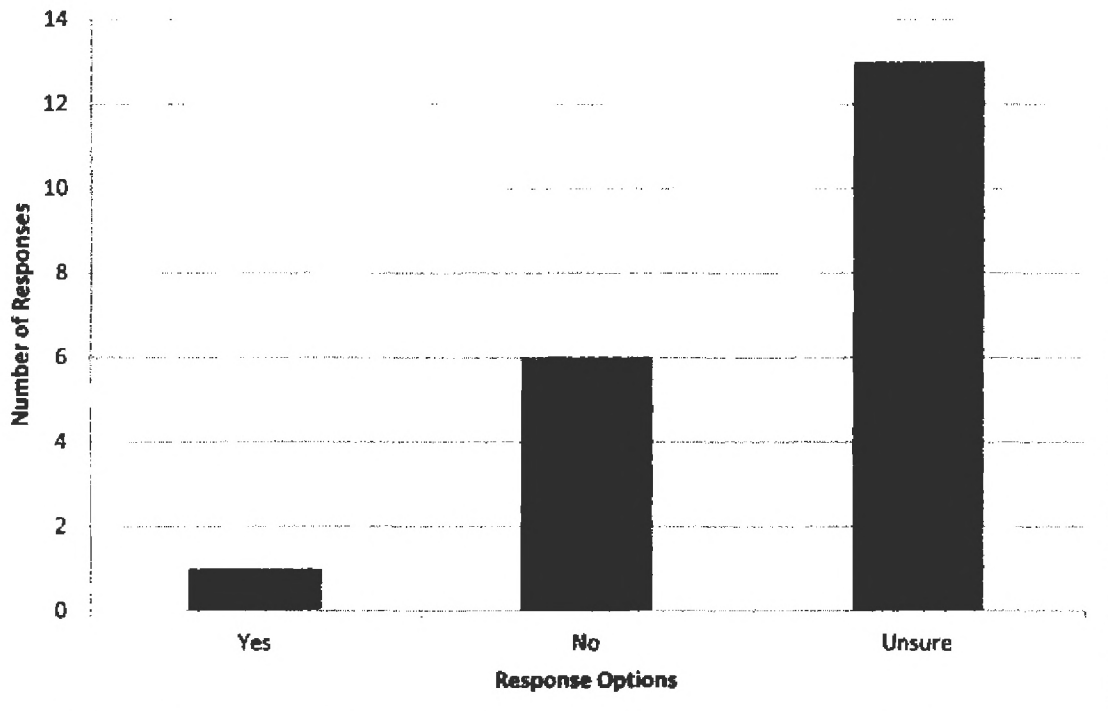
**Question 23: Which other departments are involved in managing or processing deposits for permits and/or fees?
Check all that apply.**



Other responses from survey participants:

Responses	Count
Departments of Building and Safety	3

Question 24: Has the State of California Mitigation Fee Act resulted in any legal action in your City/County?



Question 25: Please provide additional resources associated with the Mitigation Fee Act that you would be willing to share (e.g. policies, procedures, legal guidance, etc.).

Responses provided by survey participants:

Response	Count
https://www.sandiego.gov/facilitiesfinancing	1
Every City should have a Municipal Code or resolution which outlines development fees. Fees should be accounted for by City Council.	1
We have a brand new water neutrality ordinance where developments must offset their increase in site water consumption through conservation or offset fees, used to fund offsite water saving improvements in other public or private facilities.	1
Not Applicable/None	2

Question 26: What other feedback do you have regarding the State of California Mitigation Fee Act?

Responses provided by survey participants:

Response	Count
If new development requires development fees, base the fees on areas lacking adequate facilities	1
Not Applicable/None	3

VIII. California Cases Citing the Mitigation Fee Act

<u>Legal Case</u>	<u>State/Year</u>	<u>Summary</u>	<u>Favor</u>
California Building Industry v. City of San Jose	CA/2015	San Jose required residential developments of 20+ homes to sell 15 percent at below-market prices to qualified buyers or pay \$122,000 in-lieu fee. Appeals court held ordinance a legal exercise of police power and not subject to heightened scrutiny.	San Jose
Daniel Walker v. City of San Clemente	CA/2015	San Clemente adopted impact fee of \$1,500 per dwelling to provide beach parking in 1989. After collecting \$10 million in fee revenues, the city determined the parking was not needed, but did not return the money. Walker sued. Trial court ordered refunding. Appeals court agreed.	Walker
Daniel Levin, et al v. City and County of San Francisco	CA/2014	San Francisco required property owners withdrawing rent-controlled property from rental market to pay large lump sums to displaced tenants. Levin sued alleging unconstitutional taking in violation of Fifth Amendment. District court agreed with Levin.	Levin – DIFs must directly relate to fee's proposed use.
Beaumont v. Riverside County	CA/2012	Beaumont participated in countywide Transportation Uniform Mitigation Fee program. County prioritized projects and cities collected fee and remitted to county. City collected fees and spent funds on projects rather than remit to county. County sued. Superior court ruled for city.	City of Beaumont
NorCal Investment Partners v. City of Redding	CA/2010	City imposed variable rate impact fee to pay for new \$55 million road interchange. Amount of fee based on proximity and beneficial relationship to interchange. NorCal sued claiming insufficient nexus and departure from past practice. Trial and Appeals courts upheld fee.	City of Redding

<u>Legal Case</u>	<u>State/Year</u>	<u>Summary</u>	<u>Favor</u>
Homebuilders Association of Tulare/Kern County, Inc. v. City of Lemoore	CA/2010	Lamoore adopted impact fees for seven different facilities, including garbage trucks and a naval air museum. Home builders sued. Appeals court found fees to be reasonable and not in conflict with state law and sustained City's choice of using of a "standards-based" methodology.	Kern County – Fees have a direct "nexus" to proposed use.
Building Industry Association of Central California v. City of Patterson	CA/2009	Builder agreed to pay \$700 per unit affordable housing fee and future new fee if "reasonably justified." New fee was \$20,000 per unit and builder claimed it violated "vested and contractual rights." Appeals court found no "reasonable relationship" between fee and project impact.	Building Industry Association of Central CA
Pulte Home Corporation v. City of Manteca	CA/2009	Manteca increased development fee for "government building facilities." Pulte sued claiming "vested right" to pay lower fee based on development agreement. Appeals court ruled fee level not vested and amount paid should be that in effect at time of building permit issuance.	City of Manteca
Gus Meyers v. County of Calaveras (CA/2009)	CA/2009	Calaveras updated road mitigation fee based on three criteria and included projects on Meyers land. Meyers disagreed with study findings and sued. Appeals court ruled County sufficiently demonstrated reasonable relationship between the project needs and fee amount.	County of Calaveras
Daniel Guggenheim v. City of Goleta	CA/2009	Goleta enacted rent control law limiting mobile home park owners to annual five percent increases. Guggenheim claimed "taking" because it created a transfer of wealth, violated his due processes and singled out mobile homes. US appeals court agreed (2-1).	Guggenheim

<u>Legal Case</u>	<u>State/Year</u>	<u>Summary</u>	<u>Favor</u>
Action Apartment Association v. City of Santa Monica	CA/2008	Santa Monica required multi-family projects to provide on or off-site affordable housing. Action sued claiming requirement did not meet Nollan/Dollan "heightened scrutiny nexus" and "rough proportionality" tests. Appeals court upheld ordinance as not "facially reviewable."	City of Santa Monica
State Route 4 Bypass Authority v. Superior Court of Contra Costa County	CA/2007	County required property owners to dedicate land for highway bypass. Owners sued claiming request violated Dolan "rough proportionality" rule and they were treated differently from others. District Court of Appeal ruled for County stating "equality of burden" not required.	Contra Costa County
Branciforte Heights v. City of Santa Cruz	CA/2006	Santa Cruz required dedicated open space and impact fee under Quimby Act. Developer requested credit. City refused. Developer paid fees under protest and sued. Appeals court ruled credit for private open space against parkland dedication is discretionary, not mandatory.	Branciforte Heights

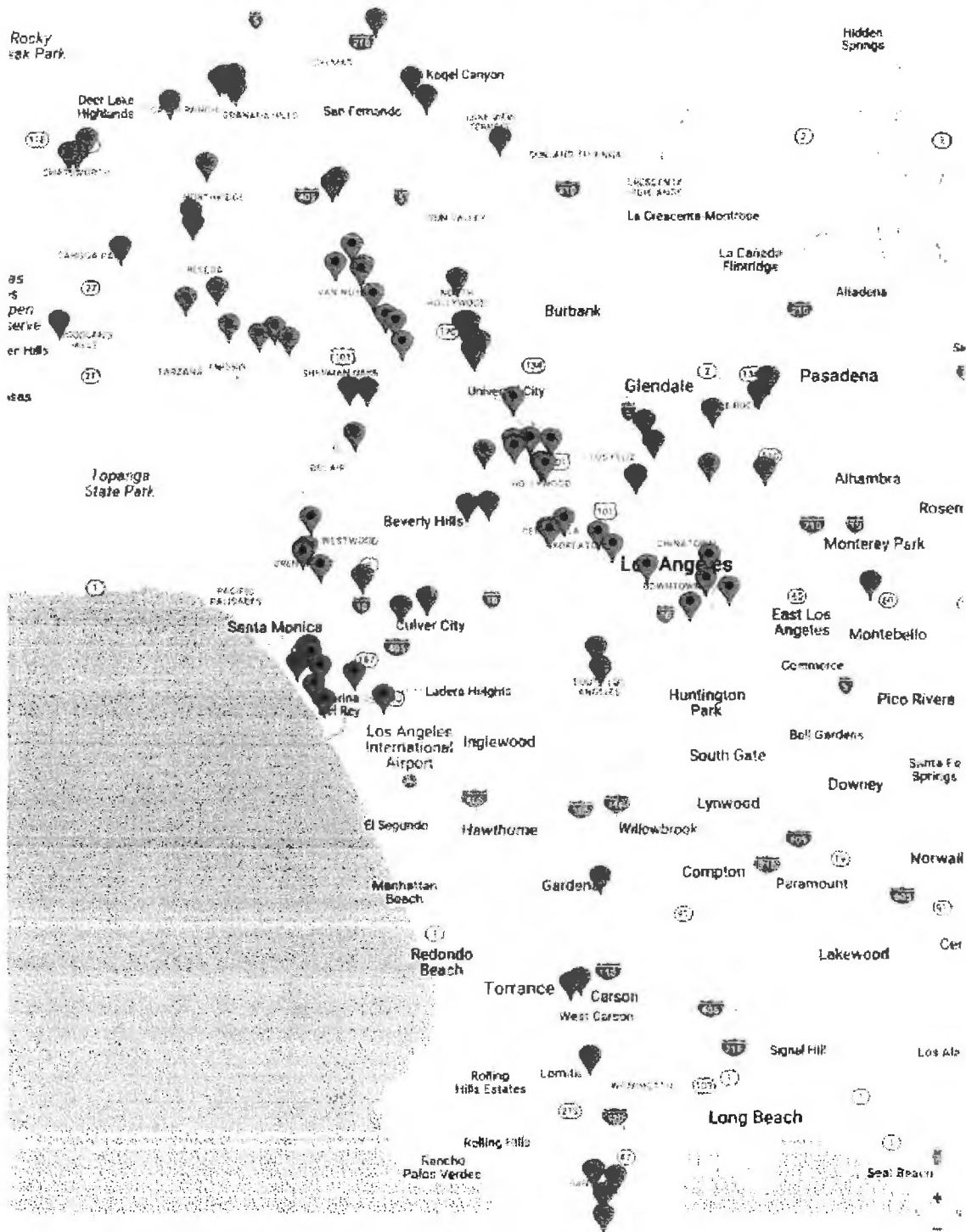


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PUBLIC WORKS NEXUS STUDY AND POLICY DEVELOPMENT

MAP OF AVAILABLE-TO-USE DEPOSITS*



* Pinpoint locations of deposits may not be exact. Locations of deposits with unknown or unspecified project addresses are mapped within the Council District for display purposes only. One pinpoint may represent multiple deposits. Six deposits with unknown project locations and Council Districts are not displayed.

PUBLIC WORKS TRUST FUND USE RULES AND GUIDELINES

The purpose of this Fund Use Rules and Guidelines document is to provide the Department of Public Works rules and guiding principles to administer and manage the Public Works Trust Fund No. 834, including the fund management of its deposits, such as development impact fees, construction in-lieu cash deposits, fees, and surcharges, etc. Most important, the Fund Use Rules and Guidelines will aid in meeting (a) reporting requirement of the 1989 State of California Mitigation Fee Act (MFA) (Assembly Bill 1600, Gov. Code 6600 et seq.), which was enacted in 1987 with an effective date of January 1, 1989, and (b) options to establish, find, and determine if a "reasonable relationship" or "Nexus" exists for use of deposit funds, such as (i) how to identify the purpose to which the fee is to be put and (ii) how to demonstrate a reasonable relationship (nexus) between the fee and the purpose for which it is charged.

In general, deposits in the Public Works Trust Fund may be broadly categorized as:

- Permit fee collected as a refundable deposit
 - Deposit for work required to a public area in proximity of a project (i.e. street improvement, general improvement, sidewalk, street lighting, curb and gutter, tree, etc.). The deposit is refundable to the extent of the deposit excess over actual cost incurred. If the actual cost exceeds the deposit, the customer is billed for the difference between actual cost and the deposit.
- Permit fee collected as non-refundable in-lieu of construction deposit
 - Fee deposit for work required to be done to a public area in proximity of a project (street improvement, sewer work, etc.); or,
- Deposits from the settlement of a defaulted bond
 - Either proceeds from bond payment or cash in-lieu of a bond deposit that was deposited to guarantee work (e.g. from one of two categories above).

Review and Analysis of Deposit

- Each deposit shall require a review of the documentation (i.e. permit application, deposit voucher, etc.) to determine specific project purpose and location.
- Each deposit made within the last five years from the adoption of this Fund Use Rules and Guidelines document (i.e. from July 1, 2013 to June 30, 2018) shall be reviewed and reported in a five-year reporting plan in compliance with the 1989 State of CA Mitigation Fee Act.
- If documentation for a deposit is sufficient, then a recommendation shall be made to the Director of Accounting and ultimately, the Executive Officer of the Board of Public Works for how the deposit could be used.

- If the documentation for a deposit is insufficient (not adequate or lacks support), then further investigation shall be completed as follows based on three possible outcomes:
 1. If it is determined that the project has not been completed, use the funds to complete the project for which it was collected (generally in-lieu of construction fees). In cases, where the funds remaining in the PWTF is not sufficient to pay for the entire project, then the portion of funds available will be used to the extent possible, transferred to another holding fund, or retained in the PWTF until sufficient funds are identified to fully implement the project.
 2. If it is determined that the project has not been completed because it became unnecessary, then the deposit shall be refunded the remaining deposit to the current property owner, if known. In some cases, the project address may be a street, an intersection, or part of a neighborhood, in which case a "current owner" will not be relevant. In these situations, use the funds for a similar project within the same neighborhood/Council District. Note: If the current owner is not known, gather additional information on the project to find the best nexus for use of remaining funds.
 3. The same nexus evaluation applies to refundable and non-refundable deposits collected after January 1, 1989.

Disposition of Deposited Funds

- If a deposit is neither used for the specific purpose and project it was intended for, nor refunded to the depositor, then those deposited funds shall require determination of "reasonable relationship" or "nexus" prior to its disposition of funds.
- If the project for which the fee collected was intended is ongoing, then the deposit should be applied to the work underway for that project, or project(s) with like purpose at the original location if available, or within the Council District as the geographical nexus/boundary.
- If the project for which the fee was intended, or a like purpose project within the geographical nexus/boundary has been completed, then the deposit should be applied to reimburse the City's cost of completing that project.
- If neither option applies (project type or location are unknown), then the deposit should be used to fund projects that have a close geographical nexus to the original intent in the permit, using the Council District as the geographical boundary.
- Pre-1989 deposits have greater flexibility and ability to establish a reasonable relationship as determined by a governing body with minimal (i.e. broad nexus to the administration and management of funds, geographical location, and general purpose type) to no restrictions.

Guidance to Determine Disposition and Fund use Deposits

- If a deposit is determined to be used “At-Will”, then the use of said funds can be for any public works project in any location, or for administrative expenses tied to the management of the PWTF. The following criteria should be identified to find and determine a reasonable relationship, if applicable:

Pre-1989 deposits

- No project type specified, and
- No project location specified, and
- No Council District specified, and
- Non-refundable

Post-1989 deposits under \$10,000

- No project type specified, and
- No Council District specified

- If a deposit is determined to be used “On Any Project”, then the use of said funds can be for any public works project, in locations to be determined by factors associated with the specific deposit, based on the variables listed below. The following criteria should be identified to find and determine a reasonable relationship, if applicable:

Within Council District Specified – Pre-1989 Deposits

- No project type specified, and
- Non-refundable

Within Nexus Specified – Post 1989 Deposits

- No project type specified, and
- Nexus:
 - 1) project location; or if not available, then
 - 2) Council District, and
- Non-refundable

Within Nexus Specified – Post 1989 Deposits

- No project type specified, and
- Nexus:
 - 1) project location; if not available,
 - 2) Council District, and
- Refundable, but if stated project location is not a specific address, there is no current owner to receive refund per MFA

- If a deposit is determined to be used “In Any Council District”, then the use of said funds can be for any location for public works project related to that documented with the specific deposit. The following criteria should be identified to find and determine a reasonable relationship, if applicable:

Project Type Specified – Post-1989 Deposits

- No project location, nor CD specified, and
- Non-refundable, or refundable (can only refund if project address is available, as refunds need to be made to current owner of project location per MFA)

- If a deposit is determined to be used “On a Specified Project Type and Specified Nexus”, then the use of said funds can be for public works projects, based on the variables listed below, for the specified Nexus of location and project type documented with the specific deposit. The following criteria should be identified to find and determine a reasonable relationship, if applicable:

Pre-1989 Deposits under \$10,000

- Project status is unknown

Post-1989 Deposits

- Project known to be completed per notes in documentation, and
- Can be non-refundable, or refundable. If refundable, project location is an area/street, rather than specific address, and therefore, not possible to refund to “current owner” per MFA

Reporting of Deposited Funds

- In compliance with the MFA, on an annual basis, the Department of Public Works shall prepare and release an annual report with summary information on all its deposits in compliance with the MFA and upon request by the Los Angeles City Council or Board of Public Works.
- Every five years, the Department of Public Works shall prepare and release a five-year reporting plan, no later than June 30 of the succeeding fiscal year, in compliance with the 1989 State of CA Mitigation Fee Act. The Department of Public Works shall prepare and release its first report for the five years covering July 1, 2013 to June 30, 2018 on or before June 30, 2019. Thereafter, every subsequent five years, the same process shall be completed and a new report shall be released.

POSITION DESCRIPTION

City of Los Angeles

ATTACHMENT T

DO NOT USE THIS SPACE

1. Name of Employee: New Position - Vacant	2. Employee's Present Class Title/Code: Senior Management Analyst I (9171-1)	3. Present Salary or Wage Rate: \$118,473.12
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4. Reason for Preparing Description:	<input checked="" type="checkbox"/> New Position <input type="checkbox"/> Change in Existing Position	<input type="checkbox"/> Routine Report of Duties <input type="checkbox"/> Review for Proper Allocation		Date Prepared 02/16/18
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5. Location of office or place of work: 200 N. Spring Street, Room 361 Los Angeles, CA 90012	6. Name of Department Board of Public Works Division Board Secretariat Section Finance & Admin
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7. Name and title of the person from whom you ordinarily receive instructions and who supervises or reviews your work:
 Name **Fernando Campos** Title **Executive Officer**

8. Describe in detail the duties and work of this position, describing each duty in a separate paragraph. Begin with the duties that normally take most of your time and then describe the duties that are infrequent. Be certain to tell what is done, how it is done and what materials or equipment are used. Using percentages, show the distribution of the total working time. Also, if the duties and responsibilities of the position have changed, indicate how and when the changes occurred.

PERCENT OF TIME	DUTIES
	See Attachment A for Description

9. How long have the duties been substantially as described above? New Position

10. List any machinery or equipment operated and any unusual or hazardous working conditions.
PC, typewriter, copier, and FAX

11. Percent of time spent supervising (training and evaluating employees, assigning and reviewing work). 0%

12. Indicate the number of employees supervised by class titles
n/a

13. I certify that the above statements are my own and to the best of my knowledge are accurate and complete.

Signature _____ Date _____ Phone No. _____

ITEMS TO BE FILLED IN BY THE IMMEDIATE SUPERVISOR

14. Indicate in what respects if any the duties and responsibilities on the other side are not sufficiently or accurately described.

N/A

15. SUPERVISION RECEIVED. Describe the nature, frequency, or closeness of supervision received by the employee, including the way that the employee's work is assigned and reviewed.

Employee works independently. Supervision is minimal and includes meetings with Executive Officer, Assistant Executive Officer, Director of Accounting, and various bureau staff. Reviews documents for Executive Officer, Board of Public Works and City Council.

16. REQUIREMENTS. Indicate the minimum requirements to perform the duties of this position:

(a) Education (include specific matter).

Bachelor's Degree

(b) Experience (type and length; list appropriate city classes, if any).

17. PHYSICAL REQUIREMENTS. Check below all physical capabilities needed to do this job.

Strength to: 15 Lift 15 Push _____ Pull _____
 Average weight 10 Heaviest weight 25
 Climbing (stairs, ladders, poles) _____
 How far _____
 Face severe work conditions _____
 Outdoors _____ on/near water _____
 Other/explain _____

SPECIAL NEED FOR:
 Vision, to read fine print/numbers
 Hearing, for telephone/alarms
 Balance, for working heights
 Other/explain _____

EXTENSIVE USE OF:	Hours per week
Legs, for walking/standing	_____
<input checked="" type="checkbox"/> Hands and fingers	<u>40</u>
Back, for strenuous labor	_____
Other/explain	_____

(a) List any alternative methods or devices that can be used to aid in meeting the physical requirements checked above.

Eye glasses or hearing aid. Persons with disabilities may be able to perform the essential job duties of this class with reasonable accommodation.

18. RESPONSIBILITIES

(a) Policy and Methods: Describe the responsibility for the interpretation and enforcement of policy and methods; indicate the extent of participation in development, if any, and approval by higher authority required.

Enforces codes, ordinances, and policies of financial and administrative matters. Oversees policy recommendations and Public Works Trust Fund management compliance. May conduct presentations and training to stakeholders as requested.

(b) Materials and Products: Describe the responsibility and opportunity for bringing about economies and/or preventing losses through effective handling, processing or storing of materials or products, or through planning or engineering in connection with same.

Responsible for proper use of materials and office supplies.

(c) Machinery and equipment: Describe the responsibility for the operation, use, repair or care of machinery, equipment, or facilities, or for planning or engineering in connection with the same; indicate the size and kind of such machinery and equipment; describe the opportunity for preventing losses or achieving economies.

Responsible for the proper use, handling, and maintenance of equipment.

(d) Money: Describe the responsibility for and access to cash, stamps or other negotiables, or the responsibility for authorizing the expenditure of funds; indicate the average value of negotiables handed each month, or the amounts which are authorized to be expended each month.

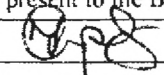
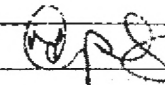
Is position bonded? No ; amount of bond \$ _____

(e) Personal Contacts: Describe the purpose and frequency of personal contact with others, both within and outside the organization, indicate the types of contacts, purpose thereof, and the importance of persons contacted.

Interacts daily with Executive Officer, Commissioners, and Staff from Bureaus and other City Departments, including Mayor's Office and CAO.

(f) Records and Reports: Describe the records and reports, including the kind and value of records in descriptive terms, and the action employee takes in respect thereto

Responsible for the accuracy and neatness of records, letters, and interdepartmental memos. This position is expected to prepare reports, charts, spreadsheets, and other visual aids to present to the Board of Public Works, Mayor, and City Council.

Signature of the immediate supervisor		F. Campos	Date	<u>02/16/18</u>
Class Title	<u>Executive Officer</u>		Phone No.	<u>(213) 978-1697</u>
Signature of department head		F. Campos	Date	<u>02/16/18</u>

**POSITION DESCRIPTION – PUBLIC WORKS FUND MANAGEMENT
SENIOR MANAGEMENT ANALYST I**

ATTACHMENT A

This position reports directly to the Executive Officer and focuses on the examination, research, and analysis of the Public Works Trust Funds (PWTF) and other related special financial and administrative projects. Assisting the Executive Officer, this position will develop, design, and monitor department-wide fund management and administrative practices that could leverage existing or potential funds to implement critical Public Works projects and improve financial operations.

1. PUBLIC WORKS TRUST FUND (PWTF) FINANCIAL MANAGEMENT – 60%

- Assists the Executive Officer in developing, designing, and monitoring sound financial management and administrative practices of the PWTF.
- Assists the Executive Officer in the day-to-day financial and revenue management of the PWTF, including but not limited to the proper management of various deposits received from depositors, verification of proper classification and treatment of deposits by purpose and description, review of non-deposit accounts with receipts from violations, fees, settlements, surcharges, and/or donations.
- Conducts research, collects/mines data, examines documentation, reviews permit, and analyzes deposits in various appropriation accounts within the PWTF, including but not limited to B-Permits, General Improvement Guarantees, Special Projects, Subdivision Guarantees, Land Work Orders, Excavation Work Orders, Vacation Work Orders, U and E-Permits, Street Tree Planting and Oak Tree Deposits, and Damage Claims and Settlements, etc.
- Prepares reports and makes sound recommendations for executive management consideration on fund use policy compliance, including departmental operations, financial management practices; May present financial reports to Executive Management, Office of the City Administrative Officer (CAO), Board of Public Works, Mayor, and/or City Council.
- Monitors and tracks use of PWTF receipts in compliance with City's and department financial policies, Controller's guidelines, accounting and auditing standards, and State of California Mitigation Fee Act; Collaborates with department bureaus and offices, including the Offices of the City Controller, CAO, and Mayor, on matters related to the PWTF.
- May represent the Executive Officer at city- or department-wide meetings or discussions related to the financial management and oversight of the PWTF.
- Prepares accounting and managerial expenditure reports, monitors deposits and revenues using the Financial Management System, Merlin (Department's financial system), and PWTF System; Prepares and assists in the preparation of revenue estimates, adjustments of appropriation of funds, accounting documents to authorize fund transfers, and other financial related reports/documents.
- Creates, maintains, monitors, and updates internal protocols and standard operating procedures and workflows to improve the management of the PWTF.

**POSITION DESCRIPTION – PUBLIC WORKS FUND MANAGEMENT
SENIOR MANAGEMENT ANALYST I**

ATTACHMENT A

2. PUBLIC WORKS TRUST FUND ADMINISTRATIVE SERVICES – 25%

- Performs a wide variety and complex financial and administrative tasks requested by the Executive Officer, Board of Public Works Commission, Mayor, City Council, CAO, Controller's Office, etc.
- Acts as lead as collector and administrator role in the management of the PWTF; Works with the Office of Accounting (who acts as the Accountant of the PWTF) to ensure that receipts are directed properly and instructions are provided to the Office of Accounting;
- Performs more difficult work in the administration of the PWTF, such as developing recommendations and implementing protocols for proper disposition of funds, performing management reviews to improve operations; conducting administrative analysis, and drafting revenue and fund management narrative for inclusion into the City's financial status reports, budgetary documents, and other fund management reconciliation reports.
- Assists in the preparation of proposed budget assignments focused on PWTF revenue or fund use projections, revenue transfers to the general and special funds, source of funding to Capital Improvement Plan, and develops responses to questions from CAO/CLA/Mayor/Council, including development of PWTF workload indicators, metrics, goals, etc.
- Analyzes, interprets, and explains State laws, ordinances and regulations affecting the PWTF and other public works matters.
- Assist in mediating, where appropriate, deposit or fund disputes; Investigates and resolves gaps in documentation and establishing reasonable relationship if applicable, to minimize inconvenience to permittees, depositors, public at-large, or to the disruption of public works operations.
- Assists the Executive Officer and Assistant Executive Officer in preparing and processing of PWTF reports and motions, institutionalizing PWTF procedures and adherence to established practices.

3. SPECIAL FUND RELATED PUBLIC WORKS PROJECTS/OTHER – 15%

- Assist the Executive Officer or Assistant Executive Officer in conducting research on special projects related to the PWTF, department-wide operations, financial and administrative practices, policy development and analysis, and revenue management matters.
- Assists in invoice processing on matters related or use of the PWTF, such as street planting, management of PWTF loans, collection of outstanding PWTF loan balances, creating and tracking of PWTF cash flows and repayments; Prepares or assists in the preparation of Semi-Annual and Annual PWTF financial status report; May monitor, track, and oversee the preparation of purchase order, contracts, Authority For Expenditures, and other payment mechanisms as may be required to procure goods and services.

Provides other financial and administrative support services as-needed.