

HOUSING

MOTION

PLACEMENT ON NEXT
AGENDA TO BE POSTED

In 2009, the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) acquired a vacant seven (7) acre site comprised of: 200 East Slauson Avenue, 5828-5936 South Wall Street, and 5829-5935 South Los Angeles Street in Council District 9 (the "Property") for the purpose of developing a multi-use project (CF# 09-2837). The Property currently consists of approximately twelve vacant and dilapidated industrial structures totaling 195,000 square feet of building area. Once re-developed, the Property will accommodate approximately four acres of open space for a public park and three acres of affordable multi-family rental housing.

Through a public selection process, the CRA/LA selected T.R.U.S.T South L.A. and Abode Communities (the "Developer") to develop the Property. On March 23, 2011, a loan agreement in the amount of \$2,011,688 (the "Predevelopment Loan Agreement") was executed between the Developer and CRA/LA to support the predevelopment costs relating to the project. Unfortunately, the Property was not fully financed prior the dissolution of the CRA/LA. On February 14, 2013, the Mayor and City Council approved various Council Actions (CF# 12-0049) to facilitate the transfer of housing assets from the former CRA/LA to Los Angeles Housing + Community Investment Department (HCIDLA), including the Property and the undisbursed predevelopment loan of \$2.01M. More recently, the HCIDLA and the Developer have agreed that the cost for site clearing and soil remediation can be covered from a portion of the proceeds of this loan.

While an environmental clearance was processed by the CRA/LA for a previously proposed project, pursuant to California Environmental Quality Act (CEQA), conflicting professional opinions regarding the Property's historical importance render its historical significance inconclusive. Future development on the site will be subject to additional environmental review pursuant to CEQA and/or National Environmental Policy Act (NEPA) as required.

Since the asset transfer in 2013, HCIDLA has assumed responsibility for securing and managing the Property. The multiple deteriorating structures that exist on this large site has made it susceptible to trespass by vagrants and used as a place to harbor illegal activity. To that end, HCIDLA has spent more than \$500,000 to secure and patrol the Property. Despite these measures, illicit activity continues and the Property has become a nuisance in the community.

A recent query on LAPD's Crime Analysis Data revealed a total of over 82 reported crimes in the past five years that were associated with the Property including vandalism, burglary, theft, assault with a deadly weapon and other violent crimes. Given the size of the lot with multiple vacant structures, there is no clear line of sight for officers when patrolling the sight. Trespassers easily hide behind walls and under the structures, requiring additional officers for back-up when entering the property, thus burdening scarce public resources.

An inspection by the Los Angeles Department of Building and Safety (LADBS) determined that sub-standard conditions were prevalent throughout the Property and issued a "Notice to Abate" and subsequently, a "Notice of Nuisance - Abatement Proceedings" would be recorded with the Office of Los Angeles County Recorder.

The Property has become a threat to public safety, a community nuisance, and a financial burden to the City that threatens the safety and welfare of the surrounding residents. Immediate action must be taken to mitigate the blighting effect on the neighborhood.


I THEREFORE MOVE that the City Council declare the vacant buildings on the Property a public nuisance, unhealthful and unsafe.

I FURTHER MOVE THAT, subject to the approval of the Mayor, the City Council authorize and instruct the HCIDLA's General Manager and/or designee to:

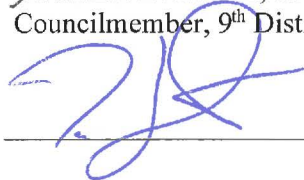


- 1) Enable the Developer to abate the aforementioned nuisance and clear the site and modify the Predevelopment Loan Agreement as necessary, including, but not limited to the following terms:
 - a. Extend the term of the Predevelopment Loan Agreement through March 23, 2019.
 - b. Agree to indemnify the Developer against any liabilities with respect to site clearance and to any hazardous materials existing on the land, or any lawsuits with respect to Environmental Clearance.
 - c. Compensate the Developer, through the Predevelopment Loan Agreement, an amount not to exceed \$144,000 for project management and oversight services relating to clearing the site.
- 2) Execute the revised Predevelopment Loan Agreement, subject to City Attorney approval as to form.
- 3) Make available funds administered through the revised Predevelopment Loan Agreement to the Developer to clear the site.
- 4) Grant the Developer access to the site when performing project management and oversight services.

PRESENTED BY: _____


CURREN D. PRICE, Jr.
Councilmember, 9th District

SECONDED BY: _____



MAY 15 2015

ORIGINAL