

ORDINANCE NO. 183138

An ordinance authorizing and providing for the sale of certain City-owned real property located at 2535 South Sycamore Avenue, Los Angeles, California to David Pourbaba and/or his assignee, and 2520 Alsace Avenue, Los Angeles, California to William O'Neil and/or his assignee.

WHEREAS, the properties located at 2535 South Sycamore Avenue, Los Angeles, California; 2520 Alsace Avenue, Los Angeles, California; 2515 South Sycamore Avenue, Los Angeles, California; and 2528 South Orange Drive, Los Angeles, California (Properties) were originally purchased by the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) in February of 2007 for \$3.2 million in an attempt to create a new urban village that would include 250,000 square feet of retail space and create 250 living wage jobs;

WHEREAS, CRA/LA funded the acquisition of the Properties with federal Community Development Block Grant (CDBG) funds under the national objective of low and moderate income job creation;

WHEREAS, the CRA/LA was only able to acquire four non-adjacent, scattered lots on three separate residential blocks. Because the creation of the urban village required the acquisition of approximately 62 contiguous lots, the urban village never materialized;

WHEREAS, in July of 2012, the U.S. Department of Housing and Urban Development (HUD) released monitoring findings, which found that the CRA/LA was not using the Properties in a manner as required by CDBG regulations;

WHEREAS, the CRA/LA was directed to either commence using the Properties to meet a CDBG national objective and eligible use in a timely manner or reimburse HUD, using non-federal funds, for the \$3.2 million originally used to acquire the Properties;

WHEREAS, in or about May of 2013, the Properties were transferred to the Los Angeles Housing and Community Investment Department (HCIDLA) as a part of the former CRA/LA's housing assets;

WHEREAS, due to their isolated nature, HCIDLA has determined that the goal of using the Properties to meet a CDBG national objective and eligible use as required by HUD is not feasible;

WHEREAS, pursuant to 24 CFR 570.505, CDBG grantees may dispose of properties that do not meet a national objective and an eligible use so long as the CDBG program is reimbursed for the current fair market value of such properties;

WHEREAS, HCIDLA seeks to generate funds with which to reimburse HUD by selling the Properties at market-rate prices;

WHEREAS, the property located at 2535 South Sycamore Avenue, Los Angeles, California was listed for sale at its appraised value of \$320,000;

WHEREAS, the property located at 2535 South Sycamore Avenue, Los Angeles, California will be sold to the highest bidder, David Pourbaba and/or his assignee, for an all cash offer of \$320,000;

WHEREAS, the property at 2520 Alsace Avenue, Los Angeles, California was listed for sale at its appraised value of \$450,000;

WHEREAS, the property located at 2520 Alsace Avenue, Los Angeles, California will be sold to the highest bidder, William O'Neil and/or his assignee, for an all-cash offer of \$450,000; and

WHEREAS, purchase and sales agreements for both properties have been executed.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The Council of the City of Los Angeles hereby confirms that the properties located at 2535 South Sycamore Avenue, Los Angeles, California and 2520 Alsace Avenue, Los Angeles, California cannot be used to meet a CDBG national objective or eligible use in a timely manner. It further confirms that the public interest and necessity requires the sales as indicated herein, because the proceeds will be used to reimburse the CDBG program, thus protecting the City from liability to HUD, and will eliminate the City's expenditures associated with its continued ownership of the two properties.


It is hereby ordered that 2535 South Sycamore Avenue, Los Angeles, California be sold to David Pourbaba and/or his assignee, and 2520 Alsace Avenue, Los Angeles, California be sold to William O'Neil and/or his assignee, both of whom were selected through a competitive process, for the respective purchase prices of \$320,000 and \$450,000.

The sale is in conformance with the provisions of Section 385 of the Los Angeles City Charter and Division 7, Chapter 1, Article 4, Section 7.27 of the Los Angeles Administrative Code.


Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of JUL 01 2014.

HOLLY L. WOLCOTT, Interim City Clerk

By 
Deputy

Approved 7/8/14


Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
MEI MEI CHENG
Deputy City Attorney

Date 6.26.14

File No. 14-0421-51