

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the process for selling and administering the proceeds of Community Redevelopment Agency Los Angeles (CRA/LA)-owned property.

Recommendation for Council action, as initiated by Motion (Blumenfield - Harris-Dawson):

INSTRUCT the City Administrative Officer (CAO) to provide a report describing the overall process for the sale and administration of the proceeds of CRA/LA-owned property and to provide recommendations to the CRA/LA Bond Oversight Committee regarding the allocation of the City's portion of the sales proceeds from the ten CRA/LA-owned properties to the Real Property Trust Fund in each of the affected Council Districts for future Economic Development use.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On February 14, 2017, your Committee considered a Motion (Blumenfield - Harris-Dawson) relative to the process for selling and administering the proceeds of CRA/LA-owned property. According to the Motion, in January 2015, the City entered into a series of Option Agreements with the CRA/LA, a Designated Local Authority, giving the City the right to purchase and market ten CRA/LA-owned properties for future disposition and development (Council File No. 14-0425). The ten properties were retained by CRA/LA to implement area economic development goals and to extend their redevelopment and economic development impact.

The City has a limited period during which it can exercise the option to purchase and develop these properties to maximize community and financial benefits, with initial option terms ending as early as January 2017. Through the term of the Option Agreement, the City has the right to acquire these properties for the appraised Fair Market Value, as well as the right to solicit and sell the property to a Buyer that will use the property in a manner that maximizes benefits to the Affected Taxing Entities and is consistent with the provisions of the Redevelopment Plan, the Five Year Implementation Plan, and the Community Plan for the Project Area.

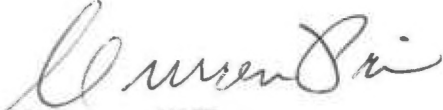
The proposed sale of these Properties will further the goals of the Redevelopment Plans and serve the economic development goals of the City by alleviating blight and providing affordable housing, an economic development program and community-serving retail. Although the proceeds of the sale of the properties will initially go to CRA/LA, the City as a taxing entity will receive approximately 26 percent of the proceeds as future property tax receipts.

To further serve the economic development goals established in these Redevelopment Plan Areas, the proceeds that the City receives from the sale of these properties should be directed to an account in each of the affected Council Districts. Like the CRA/LA excess bond fund dollars that we brought back to the City to support the redevelopment activities they were originally apportioned for, these funds will continue to revitalize their communities.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion, as amended, and detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	ABSENT

ARL
2/14/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-