

ENVIRONMENTAL IMPACT REPORT and HOUSING AND ECONOMIC DEVELOPMENT COMMITTEES' REPORT relative to the acquisition of the property located at 110 South Boyle Avenue from the Community Redevelopment Agency Los Angeles (CRA/LA) and associated Development and Disposition Agreement (DDA).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. FIND that based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project located at 110 South Boyle Avenue, Los Angeles, California 90033 (Assessor Parcel Number 5174-018-900)(Property) was assessed in the previously certified Environmental Impact Report (EIR), State Clearing House No. 1997061065, certified on September 17, 1998; and pursuant to California Environmental Quality Act Guidelines, Sections 15162 and 15164 and the Addendum, dated January 2019, that no major revisions to the EIR are required and no subsequent EIR, or negative declaration is required for approval of the project.
2. REQUEST the Mayor, or designee, to exercise the Option by and between the City of Angeles and the CRA/LA, for the acquisition of the Property upon approval of the CRA/LA Governing Board, Oversight Board, and the State Department of Finance.
3. AUTHORIZE and DESIGNATE the Los Angeles Housing and Community Investment Department (HCIDLA) as the implementing City Department.
4. AUTHORIZE the General Manager, HCIDLA, or designee to:
 - a. Acquire the Property for the fair market value of \$1,535,000.
 - b. Apply the CRA/LA Excess Housing Bond Proceeds (EHBP) available in Council District 14 from the Adelante Eastside Redevelopment Project Area for the acquisition cost of the Property that includes the Purchase Price, related closing costs, and associated site cleanup costs, up to the amount of \$1,842,500.
 - c. Execute the Purchase and Sale Agreement and accept the Grant Deed, substantially consistent with Attachments A and B to the May 13, 2019 HCIDLA report, attached to the Council file, for the purchase of the Property from the CRA/LA for the purchase price as indicated above in Recommendation No. 4a, approved as to form by the City Attorney.
 - d. Proceed to effectuate all escrow and related required actions to complete the transaction, provided all contingencies are met, upon notice from the Mayor that the purchase of the Property from the CRA/LA has received all required approvals, and deposit all acquisition proceeds into an escrow account with Chicago Title Company to be applied towards City's purchase of the Property.
 - e. Negotiate and execute a DDA with Azure Development, Inc. (Azure), or a to-be-formed limited partnership, for the purpose of ground leasing the Property and development of an affordable housing project, approved as to form by the City

Attorney, based upon the negotiated key terms and conditions and the form of DDA, and substantially consistent with Attachments C & D of the May 13, 2019 HCIDLA report, attached to the Council file.

- f. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer (CAO); and, request the Controller to implement those instructions.

5. AUTHORIZE the Controller to:

- a. Establish a new account, 43R731-110 South Boyle Avenue Property Acquisition within the Low and Moderate Income Housing Fund No. 55J/43. Transfer up to \$1,842,500 from Tax Exempt Restricted Cash to Unrestricted Cash and appropriate therefrom to Account No. 43R731- 110 South Boyle Avenue Property Acquisition.
- b. Expend funds upon proper demand of the HCIDLA General Manager, or designee.

Fiscal Impact Statement: The City Administrative Officer reports that the proposed transaction is not anticipated to have an impact on the General Fund at this time. The acquisition funds include up to \$1,842,500 of CRA/LA Excess Bond Proceeds. As an Affected Taxing Entity under the Dissolution Statute, it is anticipated that the City will receive approximately \$399,100 in sales proceeds as property tax income upon the sale of the property.

Community Impact Statement: None submitted.

Summary:

On May 22, 2019, the Housing Committee considered May 13, 2019 HCIDLA and May 15, 2019 CA reports relative to the acquisition of the property located at 110 South Boyle Avenue (APN 5174-018-900) from the CRA/LA and associated DDA. According to the CAO, on January 8, 2015, the City entered into an Option Agreement (Contract No. C-125181) to purchase the property at 110 South Boyle Avenue from the CRA/LA, the successor agency to the former Redevelopment Agency of the City of Los Angeles. The property currently consists of a 14,620 square foot vacant lot and is one of ten Future Development properties with option agreements that the city secured with CRA/LA in order to ensure that robust community benefits would accompany future developments on these sites. In May 2016, the Economic and Workforce Development Department released a Request For Proposals (RFP) seeking a mix of affordable housing and commercial uses on the property, and a City panel subsequently selected the development proposal from Azure. The Azure development proposal will result in the construction of 44 units, 43 of which will be reserved for affordable housing, and ground floor retail uses.

The actions currently proposed will authorize the HCIDLA to acquire the property from CRA/LA and execute a DDA with the Azure for development of the project. After consideration and having provided an opportunity for public comment, the Housing Committee moved to recommend approval of the recommendations contained in the CAO report, as detailed in the above recommendations. Subsequently, on May 28, 2019, the Economic Development Committee considered this item and after having provided an opportunity for public comment,

moved to concur with the Housing Committee's recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	ABSENT

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCIANO:	YES
RODRIGUEZ:	YES

ARL
6/6/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-