

MOTION ECONOMIC DEVELOPMENT

On December 16, 2014 (C.F. 14-0425), the City Council authorized the Mayor, or designee, to execute Option Agreements related to the transfer of 10 real property interests held by CRA/LA, A Designated Local Authority ("CRA/LA") classified as "Property Retained for Future Development" ("Future Development") under the Long Range Property Management Plan approved by the State Department of Finance. CRA/LA is the successor agency to the former Community Redevelopment Agency of the City of Los Angeles. AB1484 (Blumenfield) affords an opportunity for successor agencies to retain certain assets for future development to fulfill redevelopment objectives within the redevelopment plans and five-year implementation plans. CRA/LA does not have the capacity to carry out new development activity so the City has been provided the opportunity to take on this effort. The Option Agreements allow the City to market and develop the 10 Future Development sites in a manner that is consistent with the redevelopment objectives and best serves the needs of the City and affected taxing entities. Most of the Option Agreements were fully executed on January 9, 2015, and the properties are now under the control of the City with the exception of two properties that were returned to the CRA/LA due to the City's inability to exercise the Option.

Among the eight remaining Future Development sites is real property located at 18447 Sherman Way (APN 2119-020-024) and 7217-7227 Canby Avenue (APN 2119-020-024), commonly referred to as the Reseda Theater in Council District Three. The Reseda Theater site consists of two non-contiguous parcels situated on approximately 20,000 square feet. The Reseda Theater, built in 1948, sits in the heart of the Reseda Commercial District along Sherman Way. It has been vacant for over 22 years and has experienced significant deterioration. The Canby Avenue parcel is vacant and sits to the rear of the Reseda Theater.

On January 11, 2016, the Economic and Workforce Development Department (EWDD) released a Request for Proposals (RFP) for the development of the Reseda Theater, selected, and subsequently entered into an Exclusive Negotiation Agreement with Thomas Safran and Associates (TSA) to build a new mixed-use development consisting of a multi-screen movie theater on the ground floor and affordable housing above and behind the theater. As part of this effort, the City may need to assist in funding the acquisition of the property to assure the project's feasibility. An appraisal of the property was done in January 2017 that resulted in a value of \$1.46 million but the appraisal will need to be updated within six months of the City exercising its Option rights. The Option Agreement requires that the City have an approved development plan within forty-two (42) months following the effective date of the agreement, or by July 9, 2018, which would allow the City to exercise its option and purchase the parcels.

In accordance with policies adopted by Council (C.F. 14-1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable Committee, with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable CRA/LA Excess Bond Proceeds towards the redevelopment of the Reseda Theater for alternative uses including commercial and affordable housing development is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that taxable CRA/LA Excess Bond Proceeds available to Council District 3 from the Reseda/Canoga Park Redevelopment Project Area in an amount not to exceed the final purchase price (currently appraised at \$1.46 million), including related closing costs, be utilized by the Economic and Workforce Development Department and the Housing and Community Investment Department to acquire and facilitate development of the Reseda Theater site located at 18447 Sherman Way (APN 2119-020-024) and 7217-7227 Canby Avenue (APN 2119-020-024) from CRA/LA, A Designated Local Authority.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Housing and Community Investment Department, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate taxable CRA/LA Excess Bond Proceeds in an amount not to exceed the final purchase price (currently appraised at \$1.46 million), including related closing costs, to acquire and facilitate development of the Reseda Theater site located at 18447 Sherman Way (APN 2119-020-024) and 7217-7227 Canby Avenue (APN 2119-020-024) from CRA/LA, A Designated Local Authority, as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Reseda/Canoga Park Redevelopment Project Area.

PRESENTED BY

BOB BLUMENFIELD

Councilmember, 3rd District

SECONDED BY

ORIGINAL

JAN 23 2018