

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to utilizing Community Redevelopment Agency Los Angeles (CRA/LA) Excess Bond Proceeds (EBPs) to acquire and facilitate the development of the Reseda Theater site located at 18447 Sherman Way (APN 2119-020-024) and 7217-7227 Canby Avenue (APN 2119-020-024) in the Reseda/Canoga Park Redevelopment Project Area.

Recommendations for Council action, pursuant to Motion (Blumenfield - Rodriguez):

1. AUTHORIZE the utilization of taxable CRA/LA EBPs available to Council District Three 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 (EWDD) and the Housing and Community Investment Department (HCID) 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 the CRA/LA, A Designated Local Authority.
2. INSTRUCT the EWDD, with the assistance of the City Administrative Officer (CAO), Chief Legislative Analyst (CLA), HCID, and any other applicable City Department, to 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.

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

Community Impact Statement: None submitted.

Summary:

On February 13, 2018, your Committee considered a Motion (Blumenfield - Rodriguez) relative to utilizing CRA/LA EBPs to acquire and facilitate the development of the Reseda Theater site located at 18447 Sherman Way (APN 2119-020-024) and 7217-7227 Canby Avenue (APN 2119-020-024) in the Reseda/Canoga Park Redevelopment Project Area. According to the Motion, on December 16, 2014, Council authorized the Mayor, or designee, to execute Option Agreements related to the transfer of ten 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 (Council File No. 14-0425).

The 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. The 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 ten 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 and it's 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 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 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 (Council File No. 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. 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.

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

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



MEMBER VOTE

PRICE: YES

BUSCAINO: ABSENT

HUIZAR: YES

ARL
2/13/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-