

TRANSMITTAL

To: **THE COUNCIL**

Date: **09/18/19**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garcetti', is written over the printed name.

(Ana Guerrero) for

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Housing Development Bureau
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September 12, 2019

Council File: 15-0450-S1
Council District: 15
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR APPROVAL TO EXTEND THE EXCLUSIVE NEGOTIATION AGREEMENT FOR 462 W 9th STREET FOR ONE YEAR

SUMMARY

In accordance with Executive Directive No. 3, the General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval, and requests authority to take recommended actions related to the disposition and development of property owned by the City of Los Angeles, with the purpose of maximizing the use of public land for the development of affordable housing.

HCIDLA received approval from the City Council and the Mayor to negotiate and execute an Exclusive Negotiation Agreement (ENA) with LINC Housing Corporation to build affordable housing on City Parking Lot 641 at 462 W. 9th Street (C.F. No. 15-0450-S1). To assist HCIDLA in developing this affordable housing, HCIDLA is requesting City Council approval of the following actions related to this Exclusive Negotiating Agreement.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward it to City Council for action;
- II. That the City Council, subject to the approval of the Mayor:

- A. AUTHORIZE the General Manager of HCIDLA, or designee, to reinstate and extend the term of the negotiating period under the exclusive negotiation agreement (ENA) until October 31, 2020, and prepare, in consultation with the Office of the City Attorney, and execute any documents necessary to facilitate or implement such extension, for three City-owned parcels that comprise Parking Lot 641: 456-462 W. 9th Street, 461-473 W. 8th Street, and 457 W. 8th Street, APN Numbers 7455-007-907; 7455-007-900; and 7455-007-903 (together referred to as 462 W. 9th Street).

BACKGROUND

In response to the City's affordable housing crisis, the Los Angeles Housing + Community Investment Department (HCIDLA) created the Land Development Program to leverage publicly-owned land for development as affordable housing in the City. The Land Development Program oversees the disposition of properties transferred to HCIDLA from the former Community Redevelopment Agency of Los Angeles (CRA/LA) and the City of Los Angeles Department of Transportation (LADOT), surplus land identified by the City Administrative Officer (CAO) as part of the Affordable Housing Opportunity Sites (AHOS) program, and other City-owned sites deemed suitable for affordable housing development.

Exclusive Negotiation Agreement


In May 2016, the Economic and Workforce Development Department released a request for proposals (RFP) to develop a City-owned parking lot at 462 W. 9th Street. The only proposal received, submitted by LINC Housing Corporation and National Community Renaissance of California, was for a mixed-use development of affordable housing with a retail component and replacement parking. Because affordable housing was the primary proposed use, the City Council asked HCIDLA to review the proposal on March 31, 2017 (C.F. No. 15-0450-S1). On December 14, 2017, HCIDLA was authorized to enter into an exclusive negotiation agreement (ENA) with LINC Housing.

HCIDLA, LINC Housing, and National Community Renaissance of California executed an ENA on June 6, 2018 jointly with LADOT, which currently has jurisdiction over the site. The ENA expired on June 1, 2019, and was extended for a term of 90 days. This extension expired on August 30, 2019. Significant progress in negotiating the terms of a disposition and development agreement were made during the initial term of the ENA, and HCIDLA is requesting a further extension through October 2020 in order to finalize the agreement.

FISCAL IMPACT

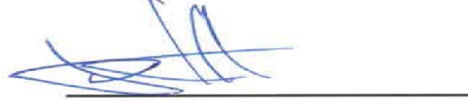
There is no impact to the General Fund. The recommendations contained in this report will authorize HCIDLA to extend the negotiation period of this ENA.

Prepared By:



EVE BACHRACH
Management Assistant

Reviewed By:



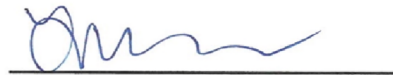
RICK TONTHAT
Finance Development Officer II

Reviewed By:



SEAN L. SPEAR
Assistant General Manager

Reviewed By:



LAURA K. GUGLIELMO
Executive Officer

Approved By:



RUSHMORE D. CERVANTES
General Manager