

ENTERTAINMENT AND FACILITIES COMMITTEE REPORT relative to the sale of the City-owned property located at 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard to Celebrity Realty Holdings, LLC.

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

1. DETERMINE that the sale of the City-owned property located at 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard to Celebrity Realty Holdings, LLC will assist in the economic development of the City and that the public interest is best served by the direct sale of the property.
2. APPROVE the form and substance of Purchase and Sale Agreement, Grant Deed, and Covenant Agreement, prepared by City Attorney, based on the terms specific in this report for the sale of the property at 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard to Celebrity Realty Holdings, LLC for the fair market value of \$740,000.
3. REQUEST the City Attorney to prepare an Ordinance providing for the sale of the property at 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard to Celebrity Realty Holdings, LLC as described in the Economic and Workforce Development Department (EWDD) report dated June 1, 2016, attached to the Council file, without notice of sale or advertisement of bids, as justified by the economic benefits the Project will generate in the public interest.
4. AUTHORIZE the General Manager, EWDD, to execute the Purchase and Sale Agreement and to complete the transaction if all contingencies are met, subject to completion of California Environmental Quality Act review, and process the necessary documents to execute the sale and deposit the proceeds into the appropriate accounts, as directed by the Los Angeles Administrative Code and as approved to form and substance by the City Attorney.
5. APPROVE receipt of sales proceeds into the Low and Moderate Income Housing Asset Fund.
6. AUTHORIZE EWDD to make technical corrections or adjustments that may be required and are consistent with this action, subject to the approval of the City Administrative Officer.

(Economic Development Committee waived consideration of the matter)

Fiscal Impact Statement: The EWDD reports that the proposed sale is for City-owned property located at 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard in Council District 9 to Celebrity Realty Holdings, LLC for the fair market value of \$740,000. Sale proceeds will be deposited into the Low and Moderate Income Housing Fund. Upon occupancy, the Project is projected to generate ongoing annual Property and Utility Users tax revenues. The proposed transaction is in accordance with Charter Section 385 (Sale of Property), and Los Angeles Administrative Code Sections 7.27 and 7.27.2.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 14, 2016, your Entertainment and Facilities Committee considered a EWDD report relative to the sale of the City-owned property located at 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard to Celebrity Realty Holdings, LLC. The EWDD reports that on March 27, 2013, the California Department of Finance approved the transfer of housing assets consisting of 703 and 703 1/2 West 40th Place also known as 704-706 West Martin Luther King Jr. Boulevard from the former Community Redevelopment Agency of Los Angeles (CRA/LA). On May 8, 2014 the former CRA/LA transferred the property via quit claim deed to the Housing and Community Investment Department of Los Angeles (HCID). HCID subsequently determined that the property was too small to develop affordable housing and adjacent lots would need to be purchased in order to effectuate an affordable housing development. An opportunity for public comment was held. After further discussion of the matter, the Committee moved to approve the recommendations as found in the EWDD report, as detailed above.

Respectfully Submitted,

ENTERTAINMENT AND FACILITIES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	YES
KREKORIAN:	YES
BUSCAINO:	YES
O'FARRELL:	ABSENT
RYU:	YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-