

## HOUSING

### MOTION

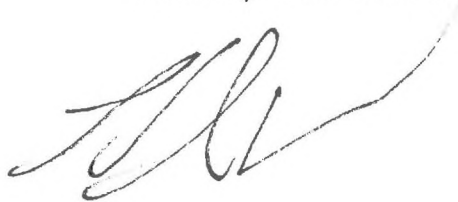
On October 5, 2007, City Council authorized the Los Angeles Community Development Department (CDD) to lend Community Enhancement Corporation (CEC) \$1,000,000 in Community Development Block Grant (CDBG) funds for the purchase of the Angelus Funeral Home, located at 1010 Jefferson Boulevard in the 9<sup>th</sup> Council District (the "Property"). The Property was purchased from CRA/LA and was to be used by CEC for the provision of child/health care and educational/training services to local low-moderate income residents (CF# 06-0100-S12). Because CEC was not able to provide the services as required under the Service Payback Loan Agreement, on March 7, 2013, a Trustee's Deed Upon Sale conveyed the Property from CEC to the CDD.

In July 2013, the City Council and the Mayor merged the Los Angeles Housing Department (LAHD) and the community services portion of the CDD into a new department re-named the Housing + Community Investment Department (HCIDLA). The aforementioned property is among the real estate assets brought to the HCIDLA by the former CDD.

Since then, HCIDLA has actively managed the Property with the assistance of the General Services Department. However, being that the Property has been vacant for decades, it is an easy target for vandalism and other illegal activity. Despite the City's best efforts, the Property remains a blight and a danger for the surrounding community.

Moreover, because the Property was acquired with CDBG funds it must meet a National Objective of benefiting very low and low income persons. Since child care and/or health care services were never initiated by CEC, the National Objective was never met. This situation has placed the \$1,000,000 of CDBG funds at risk of being re-captured by the United States Department of Housing and Urban Development (HUD).

Los Angeles Administrative Code Section 7.27 ("Private Sale") permits the sale of City owned real property without notice of sale or advertisement for bids provided that the City Council determines that the public interest or necessity requires such sale. For the following reasons, HCIDLA believes that the public interest and necessity require the sale of the Property to Hollywood Community Housing Corporation (HCHC) (a community development organization whose mission includes neighborhood, housing, and economic development) for its full appraised value of \$1,200,000 without notice of sale or advertisement for bids. First, HCHC is already presently undertaking pre-development work on its Florence Mills development, an affordable housing project directly across the street from the Property. HCHC can easily merge Florence Mills and the Property into a larger mixed-use development meeting a National Objective, thus ending the negative impact resulting from the Property's current physical condition and resolving potential re-capture threats in an expedited manner. Further, HCHC is the current owner of multiple adjacent parcels surrounding the Property and has access to City and non-City funding through its position within the HCIDLA Managed Pipeline, thus, it would be cost effective and efficient to transfer development control of the Property to HCHC through a development agreement documentation consistent with previous HCIDLA transactions of this nature. A development agreement would ensure that HCIDLA controls the performance milestones necessary to move the full development of housing and services forward, while at the same time



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resolving community-driven blight and safety concerns and HUD-driven compliance concerns. This approach also ensures cohesive efforts to secure the necessary entitlements and funding.

HCHC has agreed to act as a sub-recipient and develop this Property acquired with CDBG funds into service-enriched affordable housing for low-income residents and meet a required National Objective.

I THEREFORE MOVE, that the City Council determine that pursuant to Section 7.27 of the City's Administrative Code, the public interest or necessity require the sale of the Property located at 1010 Jefferson Boulevard to Hollywood Community Housing Corporation (HCHC) for its full appraised value of \$1,200,000 without notice of sale or advertisement for bids.

I FURTHER MOVE that the City Council approve the disposition of the Property to the Sub-recipient Hollywood Community Housing Corporation for the appraised value of \$1,200,000.

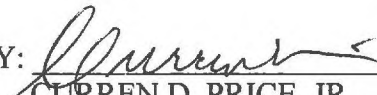
I FURTHER MOVE that HCIDLA be directed to transmit a report to Council which contains the following:

1. A loan agreement with HCHC in the amount of \$1,200,000, subject to approval of the City Attorney as to form and legality, to finance the purchase of the property located at 1010 Jefferson Boulevard for the development of affordable housing;
2. Appropriate transfer documentation, including a development agreement with HCHC, subject to approval of the City Attorney as to form and legality; and
3. A detailed description of the transaction, including the proposed affordable housing development.

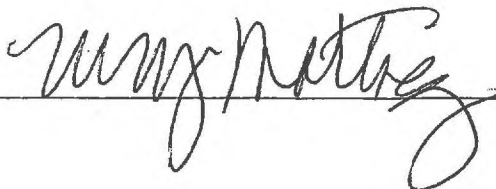
I FURTHER MOVE that the City Attorney be requested to prepare and present an ordinance authorizing the sale of the Property for Council approval.

I FURTHER MOVE that the City Council authorize HCIDLA to notify the public of the proposed change of use for this property and amend the appropriate Consolidated Plan as needed.

PRESENTED BY:

  
CURREN D. PRICE, JR.  
COUNCILMEMBER, 9<sup>th</sup> DISTRICT

SECONDED BY:



ORIG