

TRANSMITTAL

To:

THE COUNCIL

Date: 3/11/2019

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

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

(Ana Guerrero) for

ERIC GARCEITI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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March 11, 2019

Council File: 16-0600-S145

Council Districts: 11
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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: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR APPROVAL TO EXTEND EXCLUSIVE NEGOTIATION AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON THE CITY-OWNED PROPERTY AT 3233 SOUTH THATCHER AVENUE

SUMMARY

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve the recommendation contained in this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA requests authority to extend the Exclusive Negotiation Agreement (ENA) with Thomas Safran & Associates Development, Inc., the selected developer for the City-owned property at 3233 South Thatcher Avenue, a City-owned property identified as an Affordable Housing Opportunity Site (AHOS). HCIDLA has selected Thomas Safran & Associates Development, Inc. through a competitive process and received approval from the City Council and the Mayor to negotiate and execute an Exclusive Negotiation Agreement (ENA) to build affordable housing (C.F. No. 16-0600-S145).

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that the Mayor and City Council:

- I. Authorize the General Manager of HCIDLA, or designee, to reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreement until May 15, 2021, and to prepare and execute, in consultation with the Office of the City Attorney, any documents necessary to facilitate or implement such extension, for the 3233 South Thatcher Avenue site.

BACKGROUND

HCIDLA created the Public Land Development Program with the goal of developing vacant land previously owned by the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and leveraging other City-owned property for the creation of citywide affordable housing.

In February 2016, a Comprehensive Homeless Strategy (CHS) was adopted by the City in response to the homelessness crisis in Los Angeles. The Affordable Housing Opportunity Site (AHOS) Initiative was subsequently launched as a pilot program in the office of the City Administrative Officer (CAO) as part of the CHS' Strategy 7D, "Using Public Land for Affordable and Homeless Housing." Using the Council-approved Asset Evaluation Framework (C.F. 12-1549-S3), the CAO conducted the preliminary assessment of the City-owned sites identified in the FY 2016-17 Adopted Budget.

Recognizing the need to minimize redundancy from preliminary analysis through the development and outreach process for the two programs, HCIDLA and the CAO collaborated by coordinating on the Land Development and AHOS Initiatives to develop common processes and regulations. The CAO assumed responsibility for identifying City-owned sites suitable for development, and HCIDLA assumed responsibility for selecting developers and negotiating and executing Development and Disposition Agreements (DDAs) and Owners Participation Agreements (OPAs). The combined AHOS - Land Development effort currently consists of 51 City-owned properties, including 31 former CRA/LA sites, eight AHOS sites, six AHOS LADOT sites, three LADOT sites, two HCIDLA-owned sites, and one CRA/LA-Option property. The site under discussion in this report is an AHOS site.

Request for Qualification/Proposal (RFQ/P) and Request for Proposal (RFP)

On September 15th, 2016, the CAO released an RFQ/P for the disposition of City-owned properties for the development of supportive housing and other types of affordable housing on City-owned parcels. Among the City-owned parcels offered was 3233 South Thatcher Avenue. At the conclusion of the competitive selection RFQ/P process, HCIDLA submitted its recommendations of qualified developers to the City Council and the Mayor, whereupon the selection was approved on December 14, 2016 (C.F. No. 16-0600-S145).

Exclusive Negotiation Agreement

HCIDLA entered into a 720-day ENA with the developer, Thomas Safran & Associates Development, Inc., in March 2017. The ENA has been extended by letter for 90 days, at the request of the developer. Although much progress has been made by the developer to move the project forward to a DDA with the City, extra time is needed for negotiation of terms and conditions. HCIDLA requests to extend the term of the ENA for a new end date of May 15, 2021, in order to give sufficient time for the developer and HCIDLA to finalize the DDA or OPA.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations contained in this report will authorize HCIDLA to extend an ENA with the qualified developer selected from the AHOS RFQ/P released in March 2017, resulting in the potential development of an affordable and/or supportive housing.

Prepared By:



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Reviewed By:



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Reviewed By:



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Reviewed By:



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Approved By:



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