

HOUSING COMMITTEE REPORT relative to a sole source lease option agreement with 88th and Vermont, LP, for the development of the 88th and Vermont Permanent Supportive Housing Project.

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

1. DETERMINE that the public interest or necessity requires the option to ground lease the City-owned Los Angeles Department of Transportation (LADOT) and Department of Recreation and Parks (RAP) parcels to 88th and Vermont, LP, for a term of 99 years, at an annual ground rent determined by reuse studies of the value of the City-owned properties, as restricted to the project uses set forth in the Los Angeles Housing and Community Investment Department (HCIDLA) report to the Mayor dated May 31, 2017, for periodic review by the City taking into consideration the then current market conditions as mandated by California Government Code § 37380, without notice of lease or advertisement for bids.
2. AUTHORIZE the General Manager, HCIDLA or designee to:
  - a. Effectuate a sole source conveyance of the properties formerly owned by the City of Los Angeles RAP (APNs 6038-010-903 and 904), for incorporation into the Amended and Restated Option Agreement with 88th and Vermont, LP.
  - b. Execute an Amended and Restated Option Agreement with 88th and Vermont, LP, for the ground leasing of the City-owned parcels comprised of the LADOT parcel located at 8707 South Menlo Avenue (APN 6038-010-902) and the RAP parcels located at 8742 and 8750 South Vermont Avenue (APNs 6038-010-903 and 904), subject to the satisfaction of all conditions and criteria stated in the Managed Pipeline application, the HCIDLA report to the mayor dated May 31, 2017, and HCIDLA's Letter of Commitment, subject to the approval of the City Attorney as to form and legality.
  - c. Allow the admittance of a tax credit investor into the 88th and Vermont, LP.
  - d. Prepare and implement any necessary technical adjustments, consistent with this action, subject to the approval of the City Administrative Officer and Chief Legislative Analyst.

Fiscal Impact Statement: The HCIDLA reports that this action will not impact the General Fund. The LADOT property was originally purchased using Special Parking Revenue Funds, and the City, through the lease agreement, will retain ownership of the site. The combined as-is appraised value of the LADOT property and RAP property is \$1,975,000. Future lease payments will be based on the property value determined by fair reuse appraisals.

Community Impact Statement: None submitted.

#### SUMMARY

In a report to the Mayor dated June 1, 2017, the HCIDLA states that LADOT and RAP parcels

were transferred to HCIDLA for development. The proposed project is a residential development and youth/community center, which will provide 62 units of housing for homeless, chronically homeless, and low income individuals and families. Additional authorities are needed to convey site control of the City-owned properties to the developer, and for the other related actions described above.

At its meeting held June 7, 2017, the Housing Committee recommended that Council approve HCIDLA's requests.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES <i>SC</i>
KORETZ:	ABSENT
HUIZAR:	YES
PRICE:	YES
HARRIS-DAWSON:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**