

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 19, 2019

CAO File No. 0220-05440-1324

Council File No. 12-0049-S5;
12-0049-S9;
12-0049-S10;
12-0049-13;
15-0450;
15-0450-S1;
17-0862;
18-0261;
18-0579

Council District: 7, 9, 13, & 15

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr.,  City Administrative Officer

Reference: Housing and Community Investment Department (HCID) transmittal dated December 14, 2018; Received by the City Administrative Officer on December 27, 2018; Additional Information Received through February 14, 2019

Subject: **REQUEST FOR APPROVAL TO EXECUTE DISPOSITION AND DEVELOPMENT AGREEMENTS AND VARIOUS OTHER ACTIONS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON CITY-OWNED PROPERTY**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor: authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to:

1. Authorize the Los Angeles Department of Transportation (LADOT) to effectuate a non-financial transfer of jurisdiction and control of certain properties located at 4600 W. Washington Blvd. (APN 5061-014-900) and 4601 W. Washington Blvd. (APN 5071-025-900) to HCID in the assembly of land for the development of affordable housing;
2. Authorize the General Manager of HCID, or designee to:
 - a. Reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreement (ENA) until June 30, 2019, and prepare, in consultation with the Office of the City Attorney, and execute any documents necessary to facilitate or implement such extension, for the following sites:
 - i. 12568 N. San Fernando Blvd. (Council District Seven);
 - ii. 206 E. Washington Blvd. (Council District Nine);

- iii. 5215 and 5260 S. Figueroa St. (Council District Nine);
 - iv. 5887-5879 and 5888-5910 Crocker St. (Council District Nine); and,
 - v. 1637 N. Wilcox Ave. (Council District 13);
- b. Prepare Controller instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer; and,
3. Instruct the HCID, LADOT, General Services Department, and Cultural Affairs Department to report back to Council and request authority if the developer will charge a fee for the proposed 90 parking spaces at the 4600 and 4601 W. Washington Boulevard sites, including for the patrons of the Nate Holden Performing Arts Center, which is currently under the jurisdiction of the Cultural Affairs Department.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute Disposition and Development Agreements (DDA) with developers selected through competitive Request for Proposals (RFP) or Request for Qualification/Proposals (RFP/Q) processes that include the agreement to convey the housing asset (public land) for affordable housing development, along with various other actions. Subsequent to the release of the HCID transmittal dated December 14, 2018 (Report), the Department requested to remove the two proposed properties in Recommendation I of their Report from consideration. The 462 W. 9th Street property in Council District 15 does not have an approved California Environmental Quality Act of 1970 (CEQA) process clearance. There is an outstanding issue of whether the City is obligated to continue operating a free parking lot at the site. The Council approved and the Mayor concurred with authorizing HCID to execute a DDA for the 1637 N. Wilcox Avenue property in Council District 13 when it considered a separate HCID transmittal released subsequent to December 14th Report (C.F. 12-0049-S9).

The HCID also requests authority for a non-financial transfer of jurisdiction and control of certain properties from the Los Angeles Department of Transportation (LADOT) to HCID, which are further discussed below. The HCID is requesting to remove the 462 W. 9th Street property in Recommendation II of their Report from consideration until the outstanding parking issue referenced above is resolved. Finally, the HCID requests authority to reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreements through June 30, 2019 for five City owned properties.

LADOT Parking Sites

The free parking lot on the 462 W. 9th Street property does not generate any revenue for LADOT. The selected developer is proposing to replace 52 existing parking spaces, but any revenue generated from the replacement parking spaces would not go to LADOT. The HCID reports that LADOT did not complete a parking study for the site.

The HCID states that there are currently 84 parking spaces at the 4600 & 4601 W. Washington Boulevard properties. The LADOT confirmed that the existing parking lot is closed to the public during the day, but is made available to patrons of the Nate Holden Performing Arts Center (Center) for special events. The Center is a City facility currently leased by the Ebony Repertory Theatre. The term of the lease states that the tenant cannot charge for parking on the City's parking lot. Therefore, the subject site currently does not generate revenue for the City. The HCID reports that LADOT determined that no public parking is needed in the area and is not requiring replacement parking. However, the HCID also reports that a parking study was not completed. The selected developer proposes to build 90 parking spaces, of which 72 spaces will be made available for the patrons of the Center. The HCID states that it has not yet been determined if there will be a fee for the use of the 90 new parking spaces, but noted that any revenue generated by the new parking spaces will go to the developer. Our Office recommends that if the developer will charge for parking, then HCID, LADOT, General Services Department, and the Cultural Affairs Department, should return to Council prior to the execution of a ground lease with the developer and report on the following: 1) the estimated revenue to be generated from the proposed 90 parking spaces and 2) the impact of charging the tenant of the City owned Center for parking spaces. Our Office concurs with the recommendations of the Department, as amended to reflect information received subsequent to the release of HCID's Report.

FISCAL IMPACT STATEMENT

There is a potential General Fund impact. The Special Parking Revenue Fund (SPRF), which collects parking revenue from Los Angeles Department of Transportation (LADOT)-owned parking facilities and lots, transfers its annual surplus to the General Fund. This parking lot currently does not charge fees for parking so the lot does not generate parking revenue. There is a potential positive General Fund Impact if the City or the developer begins to charge parking fees for this lot upon completion of the development. The recommendations in this report are in compliance with the City's Financial Policies in that there is no additional cost to the City, and no additional funding commitments are being made at this time. Potential project funding sources include State tax-exempt bonds, State grants and/or loans, State tax credits, private financing, the Affordable Housing Trust Fund, and a HHH Supportive Housing Loan, among others.

RHL:EIC:02190101C