



**MICHAEL N. FEUER**  
City Attorney

REPORT NO. **R 18 - 0 3 5 8**  
**NOV 27 2018**

**REPORT RE:**

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF A  
DEVELOPMENT AGREEMENT BY AND BETWEEN  
THE CITY OF LOS ANGELES AND  
CAPRI URBAN BALDWIN, LLC AND CAPRI URBAN CRENSHAW, LLC**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 17-0872  
CPC-2016-3681-DA  
Council District 8 and Council District 10

**Honorable Members:**

On June 27, 2018, and October 31, 2018, the City Council took actions requesting that this Office prepare and present a draft ordinance authorizing the execution of a development agreement between the City and Capri Urban Baldwin, LLC and Capri Urban Crenshaw, LLC (the Development Agreement). This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality, and the Development Agreement, in a form we can also approve.

### Background

The Development Agreement is proposed in conjunction with the Developer's planned redevelopment of the Baldwin Hills Crenshaw Plaza. The redevelopment project will include the maintenance of the existing enclosed mall structure, cinema, and commercial building, and the new construction of 400 hotel rooms, 961 residential dwelling units, 331,838 square feet of additional retail/restaurant uses, 143,377 square feet of office and associated parking.

The Development Agreement for this project has a 20-year term and is generally consistent with the City's prior development agreements. Under the Development Agreement, the Developer has agreed to provide the following public benefits:

- The Developer shall provide affordable housing at its project site, as follows: 5% of the rental units for 80% AMI low-income households; 5% of the rental units for 60% AMI low-income households; and 10% of the for-sale units for 150% AMI workforce housing;
- Developer shall enter into a Hotel Labor Agreement with UNITE HERE Local 11 with respect to employees of the proposed 400-room hotel;
- Developer shall commit to 30% local hiring for construction and operation jobs;
- Developer shall have a 25% goal for contracting with minority-owned, women-owned, disabled-veteran owned and small business enterprises;
- Developer shall provide \$2 million in funding to the Los Angeles Trade Technical College or other approved non-profit to provide youth workforce development;
- Developer shall construct a job training center within the project site to support residents within Council Districts 8 and 10.
- Developer shall maintain a community room within the project site to be made available to area organizations within a one-mile radius of the project boundaries;
- Developer shall provide \$200,000 in funding to the City to aid in the establishment of a BID or other related uses;
- Developer shall provide \$300,000 in funding for the preparation and implementation of a Historic Structures Report to identify rehabilitation strategies for the Adobe Historical Cultural Monument LA-487;

- Developer shall provide \$1,250,000 in funding for tree maintenance, sidewalk repair, traffic calming, traffic median landscaping, and preferential parking on identified streets in Council District 10; and
- Developer shall contribute \$100,000 to the Los Angeles Department of Transportation for the implementation of bikeway improvements within a three-mile radius of the project;

The Development Agreement has been modified from the draft approved by the City Planning Commission to clarify the benefit language and to make other technical corrections.

#### City Planning Commission Action

Pursuant to Charter Section 559, the Planning Director, on behalf of the Planning Commission, approved the Development Agreement and recommended that it be adopted by the City Council.

The Commission adopted the required Charter and Government Code findings that are contained in the Planning Department's staff report to the City Planning Commission on August 3, 2017. Should the City Council adopt this ordinance, it may comply with the provisions of Charter Section 558 and the Government Code either by adopting the August 3, 2017, findings or by making its own findings.

#### California Environmental Quality Act (CEQA)

If the City Council wishes to adopt the ordinance authorizing execution of the Development Agreement, it must first comply with CEQA. Council may comply with CEQA in connection with the Development Agreement by making the CEQA finding set forth below under Recommended Actions.

#### Government Code Requirements for Notice and Hearing

Before action may be taken on either the draft ordinance or the Development Agreement, the City must comply with the provisions of Government Code Sections 65867, 65090 and 65091. Those sections require, among other things, notice and a public hearing. In addition, the City's Development Agreement Procedures state that the City Council shall not take any action on any development agreement prior to the expiration of a 24-day notice. However, the City Council previously acted to waive this 24-day requirement notice for this Development Agreement.

Recommended Actions

If the City Council wishes to approve the proposed Development Agreement, it should:

- (1) Previously have approved all the related entitlements;
- (2) Find based on the independent judgment of the City Council, after consideration of the whole of the administrative record, the project was fully assessed in the Baldwin Hills Crenshaw Master Plan Environmental Impact Report (No. ENV-2012-1932-EIR and Errata, SCH No. 2008101017) certified on January 18, 2017; and pursuant to CEQA Guidelines, Sections 15162 and 15164, and no subsequent environmental clearance is required for approval of the project;
- (3) Adopt the August 3, 2017, findings of the Planning Commission, including the Development Agreement findings, or adopt Council's own findings; and
- (4) Adopt the enclosed draft ordinance authorizing the execution of the Development Agreement.

Council Rule 38 Referral

Pursuant to Council Rule 38, copies of the draft ordinance and the Development Agreement were sent to the Department of Building and Safety, the Housing and Community Investment Department, and the Department of Transportation.

If you have any questions regarding this matter, please contact Deputy City Attorney Laura Cadogan Hurd at (213) 978-8177. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON  
Chief Assistant City Attorney

DM/LCH:mgm  
Transmittal