

TRANSMITTAL

To: **THE COUNCIL**

Date: **07/19/19**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garcetti', written in a cursive style.

(Ana Guerrero) for

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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July 10, 2019

Council File: 18-0261
Council District: 7
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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: Heleen Ramirez, Legislative Coordinator

**COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF RECOMMENDATIONS
RELATIVE TO THE DISPOSITION OF A CITY-OWNED PROPERTY AT 12568 SAN
FERNANDO ROAD**

SUMMARY

In accordance with Executive Directive No. 3, the General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval, and requests authority to take recommended actions related to the disposition and development of property owned by the City of Los Angeles, with the purpose of maximizing the use of public land for the development of affordable housing.

HCIDLA received approval from the City Council and the Mayor to negotiate and execute an Exclusive Negotiation Agreement (ENA) with the selected developers, NHS and W.O.R.K.S., to build affordable housing on a vacant City-owned site on San Fernando Road (C.F. No. 12-0049-S5). To assist HCIDLA in developing this affordable housing, HCIDLA is requesting City Council approval of the following actions related to this Exclusive Negotiating Agreement.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward it to City Council for action;
- II. The City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of HCIDLA, or designee, to reinstate and extend the term of the negotiating period under the exclusive negotiation agreement (ENA) until September 30, 2020, and prepare, in consultation with the Office of the City Attorney, and execute any documents necessary to facilitate or implement such extension, for 12568 San Fernando Road; and,
 - B. AUTHORIZE the General Manager of HCIDLA, or designee, to amend the ENA to include the Assessor's Parcel Numbers (APNs) for all five City-owned parcels made available through the Requests for Qualifications/Proposals (RFQ/P) released on April 18, 2016. The APNs are: 2506-034-900, 2506-034-901, 2506-034-902, 2506-034-903, and 2506-035-900.

BACKGROUND

In response to the City's affordable housing crisis, HCIDLA created the Land Development Program to leverage publicly-owned land for development as affordable housing in the City. The Land Development Program oversees the disposition of properties transferred to HCIDLA from the former Community Redevelopment Agency of Los Angeles (CRA/LA) and the City of Los Angeles Department of Transportation (LADOT), surplus land identified by the City Administrative Officer (CAO) as part of the Affordable Housing Opportunity Sites (AHOS) program, and other City-owned sites deemed suitable for affordable housing development.

On April 18, 2016, HCIDLA released a Request for Qualifications and Proposals (RFQ/P) for the disposition of City-owned properties for the development of supportive housing for homeless households, affordable multi-family rental, homeownership, and other types of housing on City-owned parcels. Among the City-owned parcels offered was 12568 San Fernando Road. At the conclusion of the competitive RFQ/P selection process, the City Council and the Mayor approved HCIDLA's recommendations of qualified developers (C.F. No. 12-0049-S5).

Exclusive Negotiation Agreements

Following approval of HCIDLA's recommendations of qualified developers, the Department entered into an ENA with the qualified developers NHS and W.O.R.K.S. to develop an affordable homeownership project at 12568 San Fernando Road. In April 2018, the City Council adopted motions to reinstate and extend their ENAs to December 31, 2018 (C.F. No. 18-0261). In March 2019, the City Council approved HCIDLA's request to extend the ENA through June 2019. In that time, HCIDLA and the developers have largely negotiated the key terms and conditions of the proposed development agreement for the site. However, the developers need additional time to secure the entitlements and California Environmental Quality Act (CEQA) clearance required before City Council can approve those key terms and conditions. HCIDLA therefore requests to reinstate and extend the period of the ENAs to September 30, 2020. Council District 7, where this property is located, supports this request.


Technical Amendment

The subject site consists of five vacant parcels totaling approximately 96,477 square feet. However, when the ENA was drafted, it included only one of the five APNs for the site, APN 2506-034-903. In addition to amending this ENA to extend the negotiation period, HCIDLA seeks authority to add the APNs for the four adjacent City-owned parcels: 2506-034-900, 2506-034-901, 2506-034-902, and 2506-035-900.

FISCAL IMPACT

There is no impact to the General Fund. The recommendations contained in this report will authorize HCIDLA to extend the negotiation period of this ENA.

Prepared By:



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Reviewed By:



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Reviewed By:



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Reviewed By:



HELMI HISSERICH
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Reviewed By:



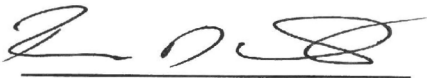
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Reviewed By:



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Approved By:



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