

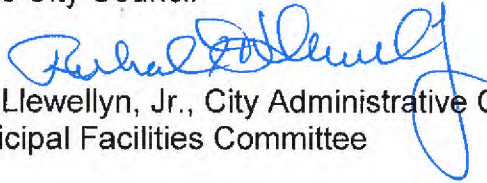
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05292-0005
Council File No. 18-0930
Council District 1

Date: March 29, 2019

To: Los Angeles City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer
Chair, Municipal Facilities Committee



Subject: **TRANSMITTAL – RECOMMENDATIONS FOR THE PROPOSED TRANSFER OF 901 AND 903 MAIN STREET, LOS ANGELES, CA 90012**

At its meeting on March 28, 2019, the Municipal Facilities Committee considered the attached City Administrative Officer (CAO) report, amended the recommendations to add language regarding limiting the City's financial exposure, and instructed staff to transmit to Council for approval as follows:

1. Authorize the Department of General Services (GSD) General Manager, or designee, to transfer jurisdiction of the properties at 901 and 903 N. Main Street (APN 5408-009-909) to the Housing and Community Investment Department of the City of Los Angeles (HCIDLA);
2. Authorize HCIDLA General Manager, or designee, to negotiate and execute an Exclusive Negotiation Agreement (ENA) with Friends of Homeboy, LLC for the properties located at 901 and 903 N. Main Street, Los Angeles, California, 90012, if HCIDLA determines the sites are feasible for a mixed-use development that may include affordable housing and services and if the ENA creates no financial exposure for the City; and
3. Instruct the HCIDLA General Manager, or designee, to seek authorization from Mayor and City Council for the terms of any future Development and Lease Agreements for the development of these sites.

Fiscal Impact Statement: There is no immediate impact to the General Fund from approval of the recommendations in this report. If affordable housing is built on site, there may be an impact to the Affordable Housing Trust Fund or Proposition HHH, depending on how the housing is financed. A full estimate of these costs and impact will be included with the Disposition and Development Agreement for this site, and submitted to the Council at the time of approval.

RHL: JVW/blm 15190082t

Attachment – March 26, 2019 CAO Report – 901/903 N Main St.

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 26, 2019

CAO File No. 0220-05292-0000
Council File No. 18-0930
Council District: 1

To: Municipal Facilities Committee

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

Subject: **Recommendations for the Proposed Development of 901 and 903 N. Main Street, Los Angeles, CA 90012**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Authorize the Department of General Services (GSD) General Manager, or designee, to transfer jurisdiction of the properties at 901 and 903 N. Main Street (APN 5408-009-909) to the Housing and Community Investment Department of the City of Los Angeles (HCIDLA);
2. Authorize HCIDLA General Manager, or designee, to negotiate and execute an Exclusive Negotiation Agreement (ENA) with Friends of Homeboy, LLC for the properties located at 901 and 903 N. Main Street, Los Angeles, California, 90012, if HCIDLA determines the sites are feasible for a mixed-use development that may include affordable housing and services; and
3. Instruct the HCIDLA General Manager, or designee, to seek authorization from Mayor and City Council for the terms of any future Development and Lease Agreements for the development of these sites.

BACKGROUND

In February 2016, the City's Comprehensive Homeless Strategy (CHS) was adopted in response to the homelessness crisis in Los Angeles. In order to fulfill the goals of CHS' Strategy 7D, "Using Public Land for Affordable and Homeless Housing", HCIDLA initiated a Public Land Development Program utilizing properties transferred to the City from the Community Redevelopment Agency of Los Angeles (CRA/LA), and the CAO initiated the Affordable Housing Opportunity Site (AHOS) program utilizing surplus city owned properties.

Since that time, the CAO AMG has continued to identify and conduct preliminary analysis on City-owned sites for potential housing development. As part of its goal to increase housing development in the district, Council District 1 introduced a motion (C.F. 18-0930, Cedillo-Huizar) requesting a

feasibility assessment of two sites currently under the jurisdiction of the Department of General Services: 901 N. Main Street and 903 N. Main Street. A subsequent motion was issued directing the CAO to determine the suitability for housing, transitional housing, childcare, and other social services, in conformance with the City's Asset Evaluation Framework. Both motions direct the City to enter into a lease with Friends of Homeboy, LLC, if the site is feasible for mixed use development. The CAO has reviewed a planning analysis provided by the Department of City Planning, and a Preliminary Title report for the property, and has determined that the site at 903 N. Main Street is appropriate for affordable housing and ancillary services. Due to site limitations discussed below, the site at 901 N. Main Street may not support development beyond commercial uses related to affordable housing and services.

The site at 903 N. Main Street is currently used for the parking of vehicles belonging to the Los Angeles Police Department (LAPD). The CAO will work with GSD to identify an alternate permanent location for the police vehicles, once the development is set to begin. Below is a summary of Planning's assessment of the sites.

PROPERTY INFORMATION

	Address / APN	CD	Size (square feet)	Zoning
1	901 N. Main Street 5408-009-909	1	Approximately 25,000	Regional Commercial [Q]C2-2-RIO
2	903 N. Main Street 5408-009-909	1	Approximately 27,000	Regional Commercial C2-2-RIO

1. 901 N. Main Street

901 N. Main Street is an irregularly shaped parcel of approximately 25,000 square feet (s.f.) with a frontage on Alameda, Alpine, and Main Streets. This parcel borders the headquarters of Homeboy Industries, located at 130 W. Bruno Street. This site is bisected by overhead tracks, which are protected by an easement to the Los Angeles County Metropolitan Transportation Authority (Metro).

The Regional Center land use designation combined with the [Q]C2-2-RIO zoning allows for a broad range of commercial and residential uses. Mixed-use (commercial and residential) projects with this designation and zoning allow for up to 76,903 s.f. for market rate mixed use development, or 102,536 s.f. for mixed use residential inclusive of low income housing.

By participating in the Density Bonus program and providing the requisite level of affordability for select units, this site could support approximately 138,423 s.f. of development. The site is less than 750 feet to the Gold Line Station at Chinatown, which meets the Transit Oriented Communities (TOC) Guidelines, allowing for approximately 153,804 s.f. of development. This site is subject to a Q condition that limits the Floor Area Ratio to 4:1 and requires Planning Commission review and approval.

While this is the maximum allowable size of development on the site, the Metro tracks will affect the ability to develop on this site. Therefore, potential uses of this parcel may be restricted to supplemental commercial uses related to affordable housing and services.

2. 903 N. Main Street

903 N. Main Street is an irregularly shaped parcel across Alpine from 901 Main Street that is approximately 27,000 square feet (s.f.) with a frontage on Alameda, Alpine, and Main Streets. The Regional Center land use designation and the C2-2-RIO designation allows for a broad range of commercial and residential uses. Allowable residential density is one dwelling unit for every 400 s.f. of lot area (consistent with R4 zoning), or approximately 68 dwelling units. Mixed-use (commercial and residential) projects with this designation and zoning may allow one residential dwelling unit for every 200 s.f. of lot area (consistent with R5 zoning), or approximately 136 dwelling units. By participating in the Density Bonus program and providing the requisite level of affordability for select units, this site could support approximately 184 dwelling units. The site is less than 750 feet to the Gold Line Station at Chinatown, which meets the Transit Oriented Communities (TOC) Guidelines, allowing for approximately 231 dwelling units.

The allowable floor area under each of the four scenarios above is as follows:

Market Rate Mixed-Use Residential	163,218 s.f.
Affordable Mixed-Use Residential	163,218 s.f.
Affordable with Density Bonus	220,344 s.f.
Transit-Oriented Community	244,827 s.f.

Both sites are situated within the River Improvement Overlay that imposes development standards on new construction projects to ensure overall compatibility with the Los Angeles River environment.

FISCAL IMPACT STATEMENT

There is no immediate impact to the General Fund from approval of the recommendations in this report. If affordable housing is built on site, there may be an impact to the Affordable Housing Trust Fund or Proposition HHH, depending on how the housing is financed. A full estimate of these costs and impact will be included with the Disposition and Development Agreement for this site, and submitted to the Council at the time of approval.