

TRANSPORTATION COMMITTEE REPORT relative to proposed Joint Development Agreement (JDA) with Mercy Housing California (MHC) for the development of affordable senior housing and replacement of City-owned Parking Lot No. 689.

Recommendation for Council action:

AUTHORIZE the General Managers, Los Angeles Housing and Community Investment Department (HCIDLA) and Los Angeles Department of Transportation (LADOT), or designees, to execute the JDA with MHC for the lease and development of City-owned public Parking Lot No. 689.

Fiscal Impact Statement: The the LADOT and HCIDLA report that there is no impact on the General Fund. The recommendations in the July 10, 2015 Joint HCIDLA/LADOT report, attached to the Council file, will authorize HCIDLA and LADOT to execute the proposed JDA with MHC for the lease and development of City-owned parcels comprising of Parking Lot 689, a public metered surface parking lot in Council District 5. The JDA will include provisions for: the new construction of a minimum of 43 units of affordable senior housing; and, the replacement of 39 existing parking spaces and construction of eight additional spaces for a total of 47 parking spaces to be completed approximately by March 2018. The operation of Parking Lot 689 may be impacted by the construction of the housing development, which may result in a loss of City parking revenue approximately between December 2016 and March 2018.

Community Impact Statement: None submitted.

**(Housing Committee waived consideration of the above matter)**

Summary:

On August 26, 2015, your Committee considered a July 10, 2015 Joint HCIDLA/LADOT report relative to proposed JDA with MHC for the development of affordable senior housing and replacement of City-owned Parking Lot No. 689. According to the HCIDLA/LADOT, Parking Lot 689 (Lot 689) is a public metered surface parking lot that is proposed as a future joint development project for the new construction of affordable senior housing and replacement public parking. The Lot 689 site consists of three adjoining parcels located near the intersection of Pico and Robertson Boulevards in Council District 5 (the legal site description is provided in Attachment A of the Joint HCIDLA/LADOT report, attached to the Council file).

Previously, the HCIDLA and LADOT issued a joint RFP for the replacement and development of Lot 689 which resulted in the selection of MHC as the project developer in November 2010 (Council File No. 08-2698). The HCIDLA, LADOT and MHC entered into an ERN for the purpose of negotiating the terms of a JDA and ground lease. Subsequent to the selection of MHC from the RFP procurement process, the economic climate to develop affordable housing resulted in a delay of the project because of factors such as the recession, the shutdown of the Community Redevelopment Agency of Los Angeles and a decrease in availability of subsidies for affordable housing.

The due diligence for the project was re-established by MHC upon improvement in the economic climate for affordable housing development, such as an improvement in the low income housing tax credits market and a growing need for additional affordable senior housing units in the City. As a result of due diligence by MHC, HCIDLA and LADOT entered into an ERN with MHC on August 4,

2014. The term of the ERN expired on February 4, 2015, but was extended for an additional 90 days to May 4, 2015. The HCIDLA and LADOT are requesting the extension of the ERN for an additional 180 days in order to comply with the previous City Council instruction that HCIDLA and LADOT report back to the Council and Mayor with a draft of a JDA prior to the expiration of the ERN.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the proposed JDA with MHC. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

TRANSPORTATION COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| BONIN:        | YES         |
| KORETZ:       | ABSENT      |
| HUIZAR:       | ABSENT      |
| MARTINEZ:     | YES         |
| RYU:          | YES         |

ARL  
8/26/15

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**