



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 15 - 0 1 7 1  
JUN 2 2 2015

**REPORT RE:**

**DRAFT ORDINANCE AUTHORIZING THE SALE AT FAIR REUSE VALUE OF AN APPROXIMATELY 2.06 ACRE PARCEL OF CITY OWNED REAL PROPERTY LOCATED AT 9402-9422 SOUTH BROADWAY TO 94<sup>TH</sup> AND BROADWAY, LLC FOR DEVELOPMENT OF A FULL SERVICE SUPERMARKET**

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

Honorable Members:

Pursuant to your request of June 5, 2015, this Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed draft ordinance authorizing the sale of an approximately 2.06 acre parcel located at 9402-9422 South Broadway to 94<sup>th</sup> and Broadway, LLC, a California limited liability company, for the development of the a service supermarket.

Background and Summary of Ordinance Provisions

Your Honorable Body requested that this Office draft and present an ordinance providing for the sale of the City-owned parcel of real property located at 9402-9422 South Broadway to 94<sup>th</sup> and Broadway, LLC, without notice of sale or advertisement of bids, consistent with Los Angeles Administrative Code Section 7.27.2 and California Health & Safety Code Section 33433. The property in question was acquired by the City as a housing asset from the City's former redevelopment agency as part of the Broadway Villa's Senior Housing Project, which called for the development of an affordable senior housing project as well as an adjacent full service supermarket. The residential component of the housing project has been completed, and this sale is

intended to complete the project by providing for the development of the supermarket as set forth more fully in the accompanying report issued by the City's Economic and Workforce Development Department. The terms of the sale provide for the City to sell the property at its fair reuse value of \$1, subject to the requirement that the property be developed and utilized as a full service supermarket for not less than ten years and that the operator provide specialized services to the adjacent senior affordable housing and the local community.

The property is a housing asset and should be used for housing and housing related support. It can also be sold for other purposes if the sale proceeds are deposited into the City's Low and Moderate Income Housing Asset Fund (Fund) to further the City's affordable housing goals. Because this property is being developed for a full service grocery store to accomplish housing-specific and economic development goals, the Fund will be reimbursed the fair market value of the property. Therefore, subject to the appropriation of funds, future budget allocations to the Fund up to a total of \$3.54 million plus interest will be credited as reimbursement to the Fund for the fair market value of the property.

#### Council Rule 38 Referral

This draft ordinance has been reviewed by the Economic and Workforce Development Department, and the ordinance incorporates its comments and suggestions.

If you have any questions regarding this matter, please contact Deputy City Attorney Miguel Dager at (213) 978-7740. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON  
Chief Assistant City Attorney

DM:pj  
Transmittal