

0220-05292-0008

TRANSMITTAL

TO Council	DATE 7-30-19	COUNCIL FILE NO. 12-1549-S10 & S11
FROM Municipal Facilities Committee	COUNCIL DISTRICT 13 & 15	

At its regular meeting on July 25, 2019, the Municipal Facilities Committee considered the attached report from the City Administrative Officer (CAO), concurred with the recommendations, and instructed staff to transmit to Council for approval. Council approval of the report recommendations would designate the real estate assets at 1146 N. Glendale Blvd and 928 N. Marine Ave as Affordable Housing Opportunities, authorize the Department of General Services (GSD) to transfer jurisdiction to the Housing and Community Investment Department (HCIDLA), authorize HCIDLA to release an RFP, and direct HCIDLA to report back to Council with the recommendations resulting from that RFP.

Fiscal Impact

It is anticipated that there will be a loss to the General Fund of approximately \$7,000 in annual parking revenue for the nine parking spaces at 1146 Glendale Blvd. There may be other fiscal impacts to the Affordable Housing Trust Fund for those development strategies that require additional subsidy beyond the value of the land. A full estimate of these costs and impact will be included with the report back with any request for further approvals following completion of the RFP process.


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

RHL:YC:JVW:BLM:15200003
Attachment

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 23, 2019

CAO File No.: 0220-05292-0000
Council File No.: 12-1549-S10, S11
Council District: 13 & 15

To: Municipal Facilities Committee

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

Subject: **Recommendations for the Disposition of Affordable Housing Opportunity Sites (AHOS Round 3)**

RECOMMENDATIONS

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

1. Designate the real estate assets at 1140 -1152 N. Glendale Boulevard and 1140 – 1155 N. Lemoyne Street (APN 5404-016-900 and 5404-016-901) and 922-928 N. Marine Avenue (APN 7423-004-900) (the "Subject Properties") as Affordable Housing Opportunities pursuant to the City Administrative Officer (CAO) review and analysis;
2. Authorize the Department of General Services (GSD) General Manager, or designee, to transfer jurisdiction of the Subject Properties to the Housing and Community Investment Department (HCIDLA);
3. Authorize the HCIDLA General Manager, or designee, to release a Request for Proposals (RFP) to select qualified developers for the disposition and development of the Subject Properties to create affordable housing;
4. Instruct the HCIDLA General Manager, or designee, to report back to the City Council and Mayor with recommendations regarding the selection of qualified candidates from the RFQ/P or RFP; and
5. Authorize the CAO and HCIDLA to make technical corrections to effectuate the intent of the Council's actions.

BACKGROUND

The City's enhanced Comprehensive Homeless Strategy (CHS) describes ongoing responsibilities and measurable actions the City is taking to combat homelessness. Goal 4.8 directs staff to support

initiatives and policies that identify, develop and preserve affordable housing, including identifying potential City-owned sites for affordable housing. The CAO has created the Affordable Housing Opportunity Site (AHOS) program which analyzes City-owned properties for potential use as affordable housing. Once these properties have been evaluated and approved by Council and the Mayor, HCIDLA's Public Land Development Program leads the development of these properties into affordable housing.

HCIDLA and the CAO's Asset Management Group (AMG), with support from other City departments, have worked to streamline this process of evaluating public properties and making them available through a competitive selection process for affordable housing development. HCIDLA has entered into 29 Exclusive Negotiating Agreements (ENAs) with developers and has recently received authority for two additional sites. In total, it is estimated the 31 public properties will create 1,567 new affordable housing units of which 870 will be Permanent Supportive Housing for the homeless.

AHOS Round 1

Using the Council approved Asset Evaluation Framework (C.F. 12-1549-S3), the CAO conducted the preliminary assessment of the City-owned sites identified in the FY 2016-17 Adopted Budget. Six of the eight sites that have been initially identified as potential affordable housing sites are moving forward through HCIDLA's Public Land Development Program. Three of the sites are scheduled to submit funding requests in the next Proposition HHH round.

AHOS Round 2

In December 2017, The City Council approved a CAO report (C.F. 12-1549-S7, 12-1539-S9 and 15-1138-S20) recommending HCIDLA issue an RFQ/P or an RFP for development of affordable housing on four sites. The City received responses for three of the sites, and in October 2018, Council authorized HCIDLA to negotiate a 24 month Joint Development Agreement for the City-owned parking lots at 249 North Chicago Street and 318 N. Breed Street (C.F. 16-0600-S145).

AHOS Round 3

During 2018 and 2019, the CAO AMG has continued to identify and conduct preliminary analysis on City-owned sites for potential housing development. Each of the sites identified are either underutilized, vacant, surplus, or a City parking lot. The sites in this report have been deemed suitable for affordable housing after a Council motion was issued by the respective council offices requesting an assessment by the CAO AMG.

DISPOSITION PLAN

This report recommends that HCIDLA release a RFP for the City owned property at 1140 – 1152 N. Glendale Boulevard and 1140 – 1155 N. Lemoyne Street (collectively, "1140 Glendale") and for the City-owned properties at 922 - 928 N. Marine Avenue (collectively, "928 N. Marine Avenue"). These solicitation documents are part of HCIDLA's overall strategy to develop affordable and permanent supportive housing throughout the City of Los Angeles.

Affordable Housing Opportunity Sites & Disposition Recommendations

	Site Name	Address / APN	CD	Council File	Disposition
1	LADOT Lot 676 and Recreation Facility	1146 N. Glendale Blvd. 5404-016-900 & 01	13 O'Farrell	12-1549-S10	Select recommended development team and transfer jurisdiction to HCIDLA
2	LADOT Lot 650	928 N. Marine Avenue 7423-004-900	15 Buscaino	12-1549-S11	Select recommended development team and transfer jurisdiction to HCIDLA

1. 1140 N. Glendale Boulevard

POTENTIAL USE: AFFORDABLE AND SUPPORTIVE MULTI-FAMILY RENTAL

The site, comprised of four separate and contiguous parcels, is approximately 27,425 square feet (s.f.) and is adjacent to multi-family residential and commercial uses. It is currently occupied by a public parking lot (LADOT Lot 676) and a community recreation space, which is used by an after-school program run by a local nonprofit. The site could yield as many as 54 units, with a possible increase to approximately 73 units if a maximum 35% density bonus is approved. An additional density bonus between 60%-80% based on proximity to transit could yield between 87 and 98 total units.

Given that approximately 24,000 s.f. of the site is currently used as a privately-operated community recreation space, any new development on site must evaluate the feasibility of incorporating recreation uses accessible to the community. The current status of the lease between the City of Los Angeles (Landlord) and El Centro Del Pueblo (Tenant) is expired as of November 2, 2018. As a result, the tenant is currently in 'Holdover' status on a month-to-month tenancy terminable on thirty (30) days' notice and can be given at any time by either party. The Department of General Services (GSD), Real Estate Services Division, is responsible for issuing termination letters in writing to the Tenant under the terms of the lease provisions governing termination.

The nine metered parking spaces occupy approximately 3,500 s.f. of the space and generates approximately \$7,000 in annual revenue.

2. 928 Marine, DOT Lot 650

POTENTIAL USE: AFFORDABLE AND SUPPORTIVE MULTI-FAMILY RENTAL

The site, comprised of two separate and contiguous parcels, is approximately 15,300 s.f. including half the area of the back alley. It is currently utilized as a free public parking lot and is adjacent to a range of commercial and low to medium density residential uses. The site could yield as many as 11 dwelling units, with a possible increase to approximately 15 dwelling units, if a maximum 35% density bonus is approved.

The project site is located in two supplemental use districts: the "Clean Up Green Up" (CUGU) overlay district and an "Oil Drilling District". Further research would be required to determine if oil drilling once existed on the project site and further environmental review and mitigation may be required. The CUGU Overlay requires publicly habitable spaces (such a residential development) to comply with site planning, landscaping, and parking design requirements. The site is adjacent to residential and commercial uses, and is located behind a commercial corridor.

The current use of the site as a parking lot generates no revenue for the City.

FISCAL IMPACT STATEMENT

There will be a loss to the General Fund of approximately \$7,000 in annual parking revenue for the nine parking spaces at 1146 Glendale Blvd. There will likely be an impact to the Affordable Housing Trust Fund for those development strategies that require additional subsidy beyond the value of the land. A full estimate of these costs and impact will be included with the Disposition and Development Agreement for each site, and submitted to the Council with any request for approval.