

14-0421-52

CB 10

HOUSING

MOTION

In February 2013, the Mayor and City Council approved various actions to facilitate the transfer of housing assets from the former Community Redevelopment Agency of Los Angeles (CRA/LA) to the Los Angeles Housing and Community Investment Department (HCIDLA) (CF 12-0049). In accordance with the transfer of housing assets, HCIDLA accepted quitclaim deeds in May 2013 for four vacant properties located in Council District 10 at 2515 S. Sycamore Avenue, 2535 S. Sycamore Avenue, 2528 S. Orange Drive, and 2520 Alsace Avenue ("Properties").

All the Properties were originally purchased by CRA/LA for \$3.2 million in February 2007 as part of a plan to create an urban village along Adams Boulevard that would include new commercial retail space and living wage job opportunities. CRA/LA funded these acquisitions with federal Community Development Block Grant (CDBG) funds under the National Objective of low and moderate income job creation. However, only four non-contiguous Properties of the area's total 62 parcels were acquired, and the urban village originally envisioned by CRA/LA never materialized.

The immediate sale of the Properties is necessitated by U.S. Department of Housing and Urban Development (HUD) monitoring findings requiring that the Properties meet a CDBG National Objective and an Eligible Use in a timely manner. Since the Properties consist of non-adjacent, scattered lots on three separate residential blocks, the use of the Properties to complete a large-scale, eligible job creation or housing project on these isolated lots is not feasible. CDBG Regulations allow grantees to dispose of properties that do not meet a National Objective and an Eligible Use so long as the CDBG program is reimbursed for the current fair market value of such properties. Hence, HCIDLA is seeking to generate funds with which to reimburse HUD by selling the Properties at market-rate prices.

In April 2014, HCIDLA received City Council and Mayor authority to extend the existing HCIDLA contract for real estate broker services with Altera Real Estate to market and sell the Properties under the motion dated April 4, 2014 (CF 14-0421). Altera Real Estate has marketed the four Properties for sale by listing them on Multiple Listing Service (MLS). In July 2014, HCIDLA received City Council and Mayor authority to close escrow on 2535 S. Sycamore Avenue and 2520 Alsace Avenue at the conclusion of the City Attorney's sales ordinance waiting period (CF 14-0421-S1).

In August 2014, purchasers for 2515 S. Sycamore Avenue and 2528 S. Orange Drive were selected, purchase and sale agreements have been signed between HCIDLA and the buyers, and escrow has been established for both parcels. The City Attorney has drafted the sales ordinance so that both sales will close upon approval of the ordinance.

I therefore move that Council, subject to the approval of the Mayor:

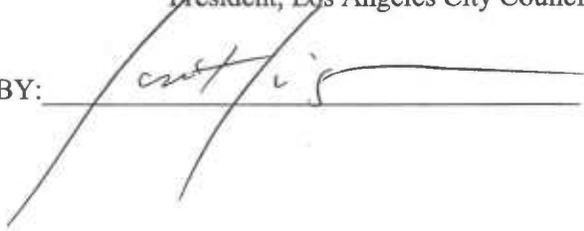
- A. Authorize the General Manager or his/her designee to execute the purchase and sale agreement for 2515 S. Sycamore Avenue with L.A. Properties, Inc. for \$205,000 and 2528 S. Orange Drive with Shideh Nassirzadeh and Jupiter Trust for \$326,000.
- B. Approve the ordinance submitted by the City Attorney effectuating the sale of 2515 S. Sycamore Avenue and 2528 S. Orange Drive.



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- C. Authorize the General Manager or his designee to execute all other ancillary documents required for the sale of 2515 S. Sycamore Avenue and 2528 S. Orange Drive.
- D. Approve the City's receipt from the proceeds of the sale of 2515 S. Sycamore Avenue and 2528 S. Orange Drive and deposit the funds into Fund No. 55J Low and Moderate Income Housing Fund.
- E. Authorize the Controller to:
 - 1) Establish a liability, due to the US Housing and Urban Development Department (HUD), in the amount of the proceeds from the sale of the Properties within Fund No. 55J.
 - 2) Upon proper demand of the General Manager of HCIDLA, pay HUD the amount of the proceeds from the sale of 2515 S. Sycamore Avenue and 2528 S. Orange Drive.
- F. Authorize the HCIDLA to prepare Controller Instructions and/or make any technical adjustments that may be required and are consistent with this action subject to the approval of the CAO and instruct the Controller to implement these instructions.

PRESENTED BY: 
Herb J. Wesson, Jr.
President, Los Angeles City Council

SECONDED BY: 

ORIGINAL

OCT 3 2014

