

14-042151

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#51

MOTION

For
Tuesday
July 1,
2014

In February 2013, the Mayor and 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 was authorized to sell the Properties (CF 14-0421). Purchasers for 2535 S. Sycamore Avenue and 2520 Alsace Avenue were selected, purchase and sale agreements have been signed between HCIDLA and the two buyers, and escrow for the two parcels has been established. The City Attorney has drafted the sales ordinance so that the two sales will close upon approval of the ordinance.

Although several potential purchasers have expressed interest in the remaining two parcels located at 2528 S. Orange Drive and 2515 S. Sycamore Avenue, no buyers have committed to either purchase at this time.

I THEREFORE MOVE that the Council:

- A. Authorize the General Manager, Housing Department or his/her designee to execute purchase and sale agreements for the following two City-owned former CRA properties (Properties) to the listed buyers and in the amounts specified, and to execute all other ancillary documents required for the sale:
 - i. 2535 S. Sycamore Avenue with David Pourbaba and/or assignee for \$320,000.
 - ii. 2520 Alsace Avenue with William O'Neil and/or assignee for \$450,000.
- B. PRESENT and ADOPT the ordinance to be submitted by the City Attorney effectuating the sale of these properties.
- C. Authorize the General Manager, Housing Department, upon receipt of the proceeds from the above transactions to deposit them into Fund No. 55J Low and Moderate Income Housing Fund.
- D. Authorize the Controller to: 1) Establish a liability within Fund No. 55J, due to the US Housing and Urban Development Department (HUD), in the amount of the proceeds from the sale of the Properties; and 2) Upon proper demand of the General Manager of HCIDLA, pay HUD this amount.
- E. Authorize the Housing Department to make any corrections, clarifications or revisions to the above fund transfer instructions, including any new instructions, in order to effectuate the intent of this Motion.

PRESENTED BY: Herb J. Wesson, Jr.
HERB J. WESSON, Jr.
Councilman, 10th District

SECONDED BY: [Signature]

JUN 27 2014

[Signature]

ORIGINAL