

14-0421

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MOTION

The City of Los Angeles currently owns four properties that were acquired by the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and were subsequently transferred to the Los Angeles Housing and Community Investment Department (HCIDLA). In 2004, the CRA/LA initiated Adams La Brea project which envisioned the acquisition and redevelopment of 62 parcels. As part of the Adams La Brea Project, in 2007 with the use of Community Development Block Grant (CDBG) funds, the CRA/LA acquired four properties at 2520 Alsace Avenue, 2528 S. Orange Drive, 2535 S. Sycamore Drive, and 2515 S. Sycamore Drive (Properties).

On July 18, 2012, the United States Department of Housing and Urban Development (HUD) issued findings of a CDBG audit related to the Adams La Brea Project. To comply with the HUD findings would require that a plan be established for the completion of this project with a reasonable timeline and measurable benchmarks that would ensure that this activity meet a CDBG Low / Moderate Jobs national objective by the HUD established deadline of July 18, 2014.


As an element of the dissolution of the CRALA, these properties were transferred to HCIDLA on May 24, 2013. Given that only four of the envisioned 62 properties have actually been acquired for the Adams La Brea Project, the completion of this project in the manner required by HUD was not feasible. The City is therefore obligated to reimburse the CDBG funds expended for the acquisition of the Properties for the Adams La Brea project. To facilitate the reimbursement of CDBG funds to HUD by the target date, HCIDLA should market and sell the Properties utilizing a City-approved real estate broker specializing in housing and commercial properties.

The most recent HCIDLA contract for Real Estate Broker services was effective January 1, 2010 and subsequently amended four times through December 31, 2013 for a total term of 48 months. This contract was executed with Realty Advantage Inc. dba Altera Real Estate, Mel Wilson and Associates who was selected through a Request for Proposal (RFP) process. As a result of the expiration of the fourth amendment to this contract on December 31, 2013, HCIDLA currently does not have an active Real Estate Broker contract. Although an RFP is currently in process to select and contract with a Real Estate Broker Services provider, it is not expected that this process can be completed soon enough to market and sell the Properties within the required timeframe.

To meet this time-sensitive need for Real Estate Broker Services, it is necessary to amend the Real Estate Broker Services contract number 117625 to extend the ending date of this contract by nine months to September 30, 2014. Since the Real Estate Broker Services are to be funded through commissions associated with assigned real estate transactions, additional city funding is not required.

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

- A) Instruct the General Manager, HCIDLA, or designee to dispose of the four properties located at 2520 Alsace Avenue, 2528 S. Orange Drive, 2535 S. Sycamore Drive, and 2515 S. Sycamore Drive through the following: 1) Market the properties through a HCIDLA contracted Real Estate Broker; 2) Enter into Purchase and Sale Agreements; and 3) Request and collaborate with the City Attorney to prepare an ordinance for the sale of these properties.
- B) Instruct the General Manager of HCIDLA, or designee, to negotiate and execute a fifth amendment to Contract No. 117625 for an additional nine months from January 1, 2014 to September 30, 2014 for a total term of 57 months with no additional monies to be added. HCIDLA seeks no lapse in services between the current contract and this amendment extension.
- C) Request the City Attorney to work with HCIDLA to prepare the reports and ordinances and all necessary documents to effectuate the sale of the REO properties to the selected buyers.


APR 4 2014

ORIGINAL

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

SECONDED BY: [Signature]