

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 3, 2021

CAO File No. 0220-00540-1539

Council File No. 16-0600-S145

Council District: 10

To: The Mayor
The Council

From: *Ylenda Chavez*
for Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated April 15, 2021; Received by the City Administrative Officer on April 20, 2021; Additional Information Received through June 2, 2021

Subject: **REQUEST FOR APPROVAL OF RECOMMENDATIONS RELATIVE TO THE DISPOSITION OF THE CITY-OWNED PROPERTIES LOCATED AT 4600 WEST WASHINGTON BOULEVARD AND 4601 WEST WASHINGTON BOULEVARD FOR THE DEVELOPMENT OF SUPPORTIVE HOUSING**

RECOMMENDATIONS

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

1. Note and file the Housing and Community Investment Department (HCID) transmittal dated April 15, 2021 (Report) relative to the disposition of the City-owned properties located at 4600 West Washington Boulevard and 4601 West Washington Boulevard for the development of affordable and supportive housing;
2. Instruct the City Attorney to prepare all necessary documents, including but not limited to, an Implementation Agreement to the Disposition and Development Agreement, the Ground Lease, and other necessary documents, for the development of affordable and supportive housing on City-owned properties located at 4600 West Washington Boulevard and 4601 West Washington Boulevard, to reflect the revised project terms in the Revised Key Terms and Conditions attached to HCID's Report; and,
3. Authorize the General Manager of HCID, or designee, to negotiate and execute all ancillary documents with the selected developer Western Community Housing Corporation and Meta Housing Corporation (Developer) for the development of affordable and supportive housing at the City-owned properties located at 4600 West Washington Boulevard and 4601 West Washington Boulevard, or the Developer's to-be-formed Limited Partnership required as a condition of financing, per the terms of the ground lease.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to negotiate and

execute an Implementation Agreement to the Disposition and Development Agreement (DDA) with Western Community Housing Corporation and Meta Housing Corporation (Developer) for the development of affordable housing on the City-owned properties located at 4600 West Washington Boulevard and 4601 West Washington Boulevard (Property) in Council District 10 to reflect the Revised Key Terms and Conditions attached to the HCID transmittal dated April 15, 2021 (Report).

The Developer was selected from a Request for Proposals process for the development of affordable housing on the subject Property, as described in the HCID's Report. The subject Property is comprised of two former Los Angeles Department of Transportation (DOT) lots that were recommended as affordable housing development sites. The Mayor and Council approved a non-financial transfer of the Property to the HCID on March 5, 2019 (C.F. 12-0049-S5) and it was subsequently transferred to the HCID on July 2019 after DOT confirmed that the lots were not collecting revenue and do not require replacement parking. The HCID executed a DDA with the qualified Developer on August 16, 2019. The original project terms included a total of 56 residential units and 90 parking spaces, including 46 subterranean spaces.

Subsequent to executing the DDA, there were changes to the projects terms listed on the Key Terms and Conditions previously approved by the Mayor and Council. The DDA modifications will include: 1) the addition of a developer-owned parcel that the Developer plans to convert into a 26-space surface-level parking lot that will replace the originally planned subterranean parking; 2) a change in the project's unit mix and affordability; and, 3) reduction in the number of parking spaces. In addition, the Implementation Agreement will include the revised ground lease terms for all projects in the HCID's Land Development pipeline that were approved by the Mayor and Council on March 3, 2021 (C.F. 21-0078). The DDA modifications are further described in HCID's Report.

The project will result in 55 affordable housing units for individuals and families and one unrestricted manager unit. The HCID notes that 28 out of 55 affordable units will be supportive housing units. Subsequent to the release of its Report, the HCID clarified that the project will have 82 parking spaces and not 81 spaces as noted in its Report. The HCID also confirmed that the Developer will not charge a fee for the project's parking spaces. This Office concurs with the Department's recommendations as amended to incorporate additional, clarifying language based on consultations with the Office of the City Attorney.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Potential project funding sources include State tax-exempt bonds, State grants and/or loans, State tax credits, private financing, Project-Based Section 8 vouchers, and a Proposition HHH Supportive Housing Loan, among others. There is no additional cost to the City, and no funding commitments are being made at this time.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.