

0220-05957-0001

TRANSMITTAL

TO City Council	DATE 04-22-22	COUNCIL FILE NO. 19-0987
FROM Municipal Facilities Committee	COUNCIL DISTRICT 11	

At a special meeting on April 19, 2022, the Municipal Facilities Committee approved a CAO report requesting approval of a First Amendment to a Memorandum of Understanding (MOU) between the City of Los Angeles and the County of Los Angeles regarding the redevelopment of the West Los Angeles Civic Center property (C-135642), and instructed staff to transmit it to the City Council for its consideration and approval. Council approval of the first amendment will extend the term of the MOU by six years, to May 14, 2028; acknowledge the applicability of City Building and Fire Codes to the portion of the project developed on County land; acknowledge the County as the lead agency for the project for the purposes of CEQA; and note that a small portion of the City parcel may need to be transferred to the County.

Fiscal Impact Statement: There will be no impact to the General Fund from approval of these recommendations.



Matthew W. Szabo
City Administrative Officer
Chair, Municipal Facilities Committee

Attachment – MFC report regarding a First Amendment to the MOU between the City of Los Angeles and the County of Los Angeles for the redevelopment of the West Los Angeles Civic Center

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

CAO File No.: 0220-05213-0007

Date: April 15, 2022

Council File No.: 19-0987

Council District: 11

To: Municipal Facilities Committee

From: Matthew W. Szabo, City Administrative Officer



Subject: **REPORT AND REQUEST FOR AUTHORIZATION TO AMEND A MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF LOS ANGELES REGARDING THE WEST LOS ANGELES CIVIC CENTER REDEVELOPMENT PROJECT LOCATED AT 1645 CORINTH AVENUE IN COUNCIL DISTRICT 11**

RECOMMENDATIONS

That the Municipal Facilities Committee approve and forward this report to the City Council for consideration:

1. Approve the First Amendment (Attached) to the Memorandum of Understanding (MOU) - (C-135642) with the County of Los Angeles, for the West Los Angeles Civic Center Redevelopment Project in Council District 11, and extend the term of the MOU by six (6) years, May 15, 2022 to May 14, 2028, to allow for the continued negotiations and project completion ;
2. Authorize City Administrative Officer (CAO), to continue as the City Project Management Lead, with assistance from the Chief Legislative Analyst, City Attorney, Los Angeles Housing Department, Planning and other departments as necessary for the successful completion of the project;
3. Acknowledge that the buildings constructed on the portion of the site owned by the County of Los Angeles will use the City of Los Angeles' Fire Code and Building Code;
4. Acknowledge that the County of Los Angeles will act as the lead agency for the City and County on the West Los Angeles Civic Center Redevelopment Project under the California Environmental Quality Act; and
5. Authorize the CAO to make technical corrections to effectuate the Mayor and Council's intent.

SUMMARY

In August 2019, City Council (C.F. 19-0987, Bonin – Koretz) directed the City Administrative Officer (CAO) to work with Councilmember Mike Bonin's office to develop a Joint Request for Proposals (RFP) with the County of Los Angeles (County) for the redevelopment of the West Los Angeles Civic Center. The project site consists of the City-owned property at the West Los Angeles Civic Center as well as the County-controlled former West Los Angeles Courthouse and adjacent parking

lot. On May 15, 2020, in order to facilitate the Joint RFP and selection process, and to coordinate the predevelopment process with the eventual developer, the City and County entered into a Memorandum of Understanding (MOU) with a two (2) year term. The Joint City/County Project Management Team has worked cohesively through to the present, selected West LA Commons, LLC to redevelop the site, and are progressing to the zoning and entitlement phase.

The MOU will expire on May 14, 2022 and in order to continue with the project through its projected completion in 2028, the County has proposed, and the City agrees, that the MOU term be extended an additional six (6) years through May 2028. Extending the term will ensure that the City and County have ample time to work together with the developer team to complete the extensive project scope, and deliver the housing units and municipal components. In addition to the term extension, the MOU designates the County as lead for the environmental process, codifies the appropriate building and fire codes to be used on the project, and notes other administrative corrections.

BACKGROUND

The West Los Angeles Civic Center and Courthouse (“West LA Civic Center”) is a 7.6-acre property that falls within the boundary of Santa Monica Boulevard, Corinth Avenue, Iowa Avenue and Butler Avenue. The City-owned portion of the site (approximately 4.6 acres) currently contains a municipal office building, the Felicia Mahood Senior Center, surface parking lot, and open space, and is adjacent to a County-controlled property (approximately 3 acres) that includes the former West Los Angeles Courthouse and surface parking lots. The City and County entered into an MOU and agreed to issue a Joint Request for Proposals (RFP) to redevelop the entire site.

The current MOU, with an effective date of May 15, 2020, designates the County as lead and commits the City to coordinating the entitlement process with the County where possible and beneficial, including working together to meet the requirements of the California Environmental Quality Act (CEQA). The City is to grant land use entitlements and CEQA approval in accordance with its own laws, policies and procedures, irrespective of the County’s actions. The MOU does not bind the City to any specific disposition or development plan for its part of the West LA Civic Center, and the City retains full ownership interest of its properties. The MOU can be terminated by either party without penalty, and would be terminated if the redevelopment project does not move forward.

In 2020, the RFP was released and the redevelopment proposal from West LA Commons was jointly selected in February 2021. West LA Commons is to build a new Felicia Mahood Senior Center and new municipal office building for the City, and will develop 926 units of affordable and market-rate housing across the project site. By May 2021, the City and County had each entered into Exclusive Negotiation Agreements with West LA Commons. Since that time, both the City and County have worked with the Developer, made substantial progress toward negotiating the term sheet components, determined the subsequent agreements that will be required, and are still negotiating various outstanding terms on the disposition of the sites with the developer. There has been significant pre-planning, predevelopment work, community outreach, entitlements, zoning

assessment, soil sampling, historic assessment and evaluation of the site, space planning, etc., thus far. The County's Department of Regional Planning (DRP) as lead, closely assisted by City Planning, have worked at length with the Developer and are preparing to release the Notice of Preparation of an Environmental Impact Report (EIR) for the project within the next two weeks. As a result of the progress and in order to continue the forward momentum to the next phase of the project, and avoid any delays, both the City and County believe it necessary to extend the MOU term prior to its expiration on May 14, 2022.

MOU AMENDMENT

The Amendment makes several changes to the executed MOU, which are outlined below. The City Attorney worked closely with County Counsel on the Amendment, and has reviewed the language and form of the agreement.

MOU Term: The first change extends the term of the MOU from two (2) years to eight (8) years by changing the expiration date from May 14, 2022 to May 14, 2028. It should be noted that the MOU would expire either when the sites are ground leased to the developer, or if the project does not move forward. This extended term will allow the City and County to continue to work productively together through the preparation of the EIR, the entitlements and permitting process, full completion of the project and/or the final negotiation of the ground leases with the development team.

Fire and Building Codes: The County plans to use Sovereign Immunity to entitle its portion of the development, but will follow the City's Building Code and Fire Code in order to streamline the design and construction of the entire project. The City's Fire and Building Codes will govern only a distinct portion of the project developed on the County site. Additionally, the MOU states that the primary elements of the Low Impact Development system will be located on the City site. If the project moves forward and the sites are ground leased to the developer team, this clause would survive the MOU's termination.

County Leads CEQA: The MOU memorializes the County's role as the lead agency for the proposed project under the California Environmental Quality Act.

Other notable MOU language proposed by the County includes an acknowledgement that approximately 325 square feet of City land may need to be transferred to the County, as a result of a proposed street vacation. The City Project Management Team will provide a report back at the appropriate time if the land needs to be transferred. Updated names of the Authorized Representatives for both the City and the County are also reflected in the revised MOU.

FISCAL IMPACT STATEMENT

There will be no impact to the General Fund from approval of these recommendations.

FINANCIAL POLICIES STATEMENT

The actions recommended in this report comply with the City's Financial Policies, in that any expenditures are required to be approved and part of the Adopted Budget or through a Council action that has secured Council and Mayoral approval.

MWS:YC/JVW/EAB
Doc Id: 15220031

Attachment: First Amendment to the Memorandum of Understanding Between the City of Los Angeles and the County of Los Angeles

**FIRST AMENDMENT
TO MEMORANDUM OF UNDERSTANDING**

between
THE CITY OF LOS ANGELES AND

THE COUNTY OF ANGELES
for the

WEST LOS ANGELES CIVIC CENTER REDEVELOPMENT PROJECT

This First Amendment to the Memorandum of Understanding (City of Los Angeles Agreement C-135642), dated May 15, 2020 (“**Amendment**”), is entered into as of _____, 2022 by and between the City of Los Angeles, a Municipal Corporation (“**City**”), by and through its designee, Office of the City Administrative Officer (“**CAO**”), and the County of Los Angeles, a political subdivision of the State of California (“**County**”), acting through its Department of Workforce Development, Aging and Community Services (“**WDACS**”). The County and City are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

RECITALS

WHEREAS, on November 5, 2019, the County Board of Supervisors (“**Board**”) authorized the execution of a Lease-to-Purchase agreement (“**Original Lease**”) with the Judicial Council of California (“**JCC**”) for the purchase of the property located at 1633 Purdue Avenue, Los Angeles, California 90025 (“**County Property**”), which Original Lease was subsequently amended pursuant to that First Amendment to Lease Agreement, entered into by the County and the JCC on September 1, 2021 (“**First Amendment**,” and the Original Lease as amended by the First Amendment, the “**JCC Lease**”); and

WHEREAS, within the same action that authorized the County’s execution of the Original Lease, the Board authorized, inter alia, the issuance of a Request For Proposals (“**RFP**”) to redevelop the County Property; and

WHEREAS, the acquisition of the County Property from the JCC pursuant to the JCC Lease arises from the County’s long-standing goal of eliminating blight and obstacles to land development and by pursuing and redeveloping the County Property, the County is addressing the above stated public policy goals by assembling and clearing and/or repurposing properties with substandard buildings and repositioning them into economically viable building sites that will encourage the development of affordable housing and social services, improve public safety, and bring positive economic development and commerce thereby improving the quality of life for residents of the surrounding community; and

WHEREAS, on or about August 28, 2019, the Mayor and City Council approved a Bonin-Koretz Motion (C.F. 19-0987) directing the CAO to initiate a review of the City-owned property located at 1645 South Corinth Avenue, Los Angeles, California 90025, known as the West Los Angeles Civic Center (“**City Property**” and, together with the County Property, the “**Properties**”), and to determine its suitability for redevelopment purposes as well as to issue an RFP; and

WHEREAS, the Parties entered into a Memorandum of Understanding (“**MOU**”) on May 15, 2020, to define the terms of cooperation and to identify the respective roles and responsibilities of the Parties for the potential development and disposition of the Properties, including soliciting, selecting and negotiating with a third-party developer through a joint RFP process and potentially entering into agreements with the selected developer for the development and disposition of the Properties; and

WHEREAS, pursuant to the MOU, the Parties issued a joint RFP for the Properties on May 15, 2020, received responses to the joint RFP on September 1, 2020, engaged in an extensive joint review and selection process, and ultimately selected a development team comprised of AvalonBay Communities and Abode Communities (“**Developer**”) whose proposal description consisted of a mixed-use development project that included adding 926 units of housing (including 83 moderate and 348 affordable units, of which 99 affordable units would be for seniors and 135 would be allocated as permanent supportive housing), supporting commercial uses, significant open space, a newly reconstructed Felicia Mahood Center for seniors, and a revitalized and expanded Municipal Building (the “**Project**”); and

WHEREAS, consistent with the MOU and the terms of the joint RFP, on February 24, 2021, the City Council approved the negotiation and execution of an Exclusive Negotiating Agreement (“**ENA**”) between the Developer and the City for the Project located on the City Property; and

WHEREAS, consistent with the MOU and the terms of the joint RFP on March 9, 2021, the BOS approved the negotiation and execution of an ENA between the Developer and the County for the Project located on the County Property; and

WHEREAS, following each Party’s execution of its respective ENA with the Developer, the Parties and the Developer have engaged in significant early-stage coordination and planning work and discussions regarding the entitlements and permitting approach for the Project in light of the shared jurisdictional nature of certain proposed Project elements, including a shared subterranean garage, Low-Impact Development infrastructure, and the City’s role as the provider and/or regulator of certain utilities and emergency response services for the Project footprint, and

WHEREAS, additional time is needed to undertake the environmental clearance and entitlement process, which is anticipated to require extensions to the terms of the JCC Lease, both ENAs with the Developer, and the MOU; and

WHEREAS, the MOU is set to expire May 14, 2022 and the Parties are committed to continuing this transformative interagency collaboration to create housing and centralize delivery of constituent services through the estimated project development and delivery in May 2028, anticipate and plan for the potential necessary geographical adjustments from the final design, and continue to recognize the County as the lead agency under CEQA; and

WHEREAS, the Parties desire to document the agreements between them regarding the matters; and

NOW, THEREFORE, in consideration of the Recitals set forth above and the representations, warranties, covenants and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and City agree as follows:

AGREEMENT

1. **Extension of Term.** Section 1 of the MOU shall be amended and restated in its entirety as follows:

“The term of this MOU shall commence on the Effective Date and shall remain in full force and effect until the earlier of (a) entrance of an agreement or agreements for the disposition and development of the Properties, (b) termination pursuant to Section 11, or (c) the date that is eight (8) years after the Effective Date (“**Term**”).”

2. **General.** Sections 2.C. and 2.D. of the MOU shall be amended and restated in their entirety as follows and a new Section 2.F. is added below:

“C. The Parties anticipate that the land use entitlements (including all issues related to mapping, vacations, and dedications) will be obtained (i) from and processed by the City for the City Property and (ii) from and processed by the County for the County Property, in accordance with their respective laws, policies and procedures; provided, however, that all vacations and dedications of City right-of-way on County Property will be processed by the City pursuant to its standard right-of-way vacation and dedication process. However, City fire and City building and safety codes and procedures will apply to the entirety of the Properties ultimately redeveloped as part of the Project. Furthermore, the parties agree to hold the underlying lots or parcels that comprise the Project as one, through a covenant or other comparable method, for the subterranean parking and to address issues related to fire separation distances and other building and safety code, fire code, and other similar issues in light of the City and County’s shared desire to facilitate a master planned redevelopment of the Properties. Finally, the Parties have agreed that all primary components of the Low-Impact-Development (“**LID**”) system will be located on the City Property with the City being the primary agency for regulating LID compliance (though financial and operational responsibilities for maintenance of such LID system are intended to be addressed through subsequent agreements regarding Project development). City and County agree to further coordinate their respective entitlement and permitting processes where possible and beneficial. In the event that this MOU expires because an agreement or agreements for the disposition and development of the Properties as set forth in Section 1 have been executed, then this Section 2.C. shall survive such expiration of this MOU.

D. The acquisition, disposition and development of the Properties will be made in accordance with all legal requirements, including without limitation, City and County procurement and development requirements, the California Environmental Quality Act (“**CEQA**”), and local and State surplus property laws. The Parties have agreed that the County will serve as lead agency for the proposed Project under CEQA.

F. The Parties acknowledge that in connection with the mapping, vacations, and dedications proposed for the Project, a small portion of the City-owned parcel having Assessor’s Identification Number 4261-011-912 (which portion currently underlies a public right-of-way alley proposed to be vacated for the Project) may need to be transferred from the City to the County. The Parties agree to cooperate

to effectuate such transfer in connection with any such vacation and/or mapping, should it ultimately occur in connection with the Project.”

3. **Authorized Representatives.** The Authorized Representative of the County identified in Section 10 of the MOU is hereby amended and restated as follows:

For City: Matthew W. Szabo, City Administrative Officer
City of Los Angeles
City Hall East, Room 1500
200 North Main Street,
Los Angeles, CA 90012

For County: Kelly LoBianco, Acting Executive Director
Economic and Workforce Development Department,
510 S. Vermont Avenue, 11th Floor
Los Angeles, CA 90020

4. **Counterparts.** This Amendment may be signed in multiple counterparts each of which shall be deemed an original, but all of which shall, taken together, be but one and the same instrument. This Amendment may be delivered by facsimile or electronic mail.

5. **Incorporation.** Each of the Recitals in this Amendment mentioned herein are hereby incorporated herein by this reference.

6. **Entire Agreement.** This Amendment reflects, supersedes and merges all the prior agreements and negotiations of the Parties with respect to its subject matter, and contains their entire agreement with respect to the subject matter set forth herein.

[signatures on next page]

IN WITNESS WHEREOF, County and City have executed and delivered this Amendment as of the date first written above.

City:

CITY OF LOS ANGELES

By: _____
Matthew W. Szabo,
City Administrative Officer

COUNTY:

COUNTY OF LOS ANGELES,
a public body, corporate and politic

By: _____
Kelly LoBianco,
Acting Executive Director
Economic and Workforce Development

APPROVED AS TO FORM: DAWYN R. HARRISON

ACTING COUNTY COUNSEL

By: _____
Behnaz Tashakorian
Principal Deputy

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____