

MOTION

The City of Los Angeles' Department of General Services (GSD or City) shares ownership of the building and property located at 12901 Venice Boulevard ("Property") with the Disability Community Rights Center (DCRC). DCRC was founded in 1976 and is dedicated to assisting persons with disabilities and seniors to achieve and/or maintain self-directed independent lives in their communities. DCRC currently operates the Property as its headquarters and service center.

GSD and DCRC jointly acquired the Property in 1982 as tenants-in-common, where 89% of the undivided interest of the Property belongs to the City and 11% belongs to DCRC. DCRC would like to redevelop the Property in order to build a 100-percent affordable housing project, housing low-income and unhoused residents, on the site in addition to expanding the DCRC office space and service center. The new building would be LEED Platinum and would contain a minimum of 50 income restricted units reserved for households earning between 30% and 80% of the area median income ("Project"). The Project would be subject to affordable housing covenants running with the land for a period of 99 years. While the City supports the development of affordable housing on this site, the ownership structure of the Property complicates the Project because the City, acting through the Los Angeles Housing Department (LAHD or City), typically finances affordable housing projects as opposed to owning and managing them.

Los Angeles Administrative Code (LAAC) Section 7.27 (Private Sale) permits the sale of City owned real property without notice of sale or advertisement for bids provided that City Council determines that the public interest or necessity requires such sale. Upon such determination, the City Council may approve an ordinance that authorizes the execution of a deed, contract or other instrument necessary to effect the sale, conveyance, exchange or quitclaim at and for a price or consideration and upon the terms and conditions to be specified in the ordinance.

Further, LAAC Section 7.27.3 permits LAHD to convey any interest in City owned property for use as affordable housing at below market value subject to City Council making a finding that the conveyance at the price with the terms and conditions imposed thereon, serves a public purpose. A sale at below market value must be supported by findings and an appraisal setting forth the items in Section 7.23.3(a) through (e) (Appraisal).

For the following reasons, the City believes that the public interest and necessity requires the sale of the City's interest in the Property to DCRC for below market value (to be determined by the above-referenced Appraisal) without notice of sale or advertisement for bids. First, it is unlikely that the concept of purchasing a partial, undivided interest of the Property would appeal to a wide spectrum of buyers, such that it is most reasonable for the City to sell its partial interest to the other existing tenant-in-common, DCRC. Second, despite a tenants-in-common agreement between the City and DCRC, DCRC primarily has operated and maintained this Property for over 40 years; and therefore, has become a fixture in the community and is extremely familiar with the type of housing and services most needed to better serve the community. Moreover, the Project will provide universally accessible, affordable housing opportunities that further the mission of DCRC and the goals of the City. Further, it would be cost effective and efficient to transfer the City's partial interest in and development control of the Property to

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DCRC and impose affordability covenants and other necessary restrictions to ensure that the Property serves the public interest and continues to provide public services on-site.

I THEREFORE MOVE that the Los Angeles City Council determine that pursuant to LAAC Sections 7.27 and 7.27.3, the public interest and necessity require the private sale of the Property to DCRC without notice of sale or advertisement for bids at a below market sales price to be determined by the above-referenced Appraisal and that this sale will serve a public purpose through the proposed 100% affordable housing development consisting of a minimum of 50 income restricted units reserved for households earning between 30% and 80% of the area median income with 99 year covenants.

I FURTHER MOVE that the Los Angeles City Council instruct and authorize GSD to effectuate a non-financial transfer of jurisdiction of the City-owned Property to LAHD; and that LAHD be instructed to accept this property.


I FURTHER MOVE that the Los Angeles City Council instruct LAHD, or its authorized contractor, in coordination with GSD and any other relevant agency, and in consultation with the management or the Board of Directors of DCRC, to complete the above referenced Appraisal in order to determine the sales price for the Property.

I FURTHER MOVE that the Los Angeles City Council authorize the General Manager of LAHD, or designee, to make any corrections, clarifications, or revisions to the above instructions, including any new instructions, in order to effectuate the intent of this Motion; said corrections / clarifications / changes may be made orally, electronically or by any other means.

I FURTHER MOVE that the City Attorney be requested to prepare and present a draft Ordinance and other ancillary documents to authorize the sale of the City's undivided interest in the Property to DCRC, in accordance with the above instructions, for City Council approval. Those documents should include covenants or restrictions requiring the land be used for affordable housing for a minimum of 99 years.

Presented By: _____


MIKE BONIN
Councilmember, 11th District

Seconded By: _____


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