

ORDINANCE NO. 170807

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT

WHEREAS, the City Council on April 2, 1993 directed The Community Redevelopment Agency of the City of Los Angeles, California (the "Agency") to prepare recovery and revitalization strategies for areas affected by the civil unrest that occurred in April 1992, focusing on commercial and industrial areas; and

WHEREAS, Councilmember Rita Walters appointed a 35 member Community Advisory Committee (the "CAC") to work with the Agency to study and evaluate revitalization strategies for a recovery program in the Council District Nine Corridors South of the Santa Monica Freeway (the "Recovery Study Area"); and

WHEREAS, the CAC in cooperation with the Agency identified community needs, formulated goals and objectives, established study area boundaries and made preliminary findings on physical and economic conditions that appeared to qualify the area for redevelopment, and on July 26, 1994, recommended that redevelopment be formally considered for a proposed redevelopment project in the Recovery Study Area; and

WHEREAS, on February 16, 1995, the Planning Commission of the City of Los Angeles (the "Planning Commission") in cooperation with the Agency adopted a Preliminary Plan selecting the boundaries of the proposed Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project (the "Project Area"); and

WHEREAS, subsequently, it was determined that certain parcels within the selected Project Area had to be deleted because said parcels overlapped a three-block area of the Hoover Expansion Redevelopment Project; and as a result, all reports, studies, data and analysis relating to the proposed Project Area were based solely on the adjusted boundaries which did not include the deleted parcels; and

WHEREAS, on May 9, 1995, a 28 member Project Area Committee ("PAC") was elected by the members of the community in accordance with the Community Redevelopment Law (California Health & Safety Code Section 33000, et seq.)

WHEREAS, the Agency has formulated and prepared the proposed Redevelopment Plan for the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project (the "Redevelopment Plan"); and

WHEREAS, on October 26, 1995, the Planning Commission adjusted the proposed Project Area boundaries by deleting the overlapping three blocks as part of its actions recommending approval of the proposed Redevelopment Plan; and

WHEREAS, in accordance with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., ("CEQA"), the Guidelines for Implementation of the California Environmental Quality Act and environmental procedures adopted by the Agency pursuant thereto, the Agency prepared and circulated for public review and comment a Draft Environmental Impact Report, (the "Draft EIR") for a proposed Council District Nine Revitalization/Recovery Program Area which includes the Project Area; and

WHEREAS, after a duly noticed public hearing on the Draft EIR and the incorporation of comments and recommendations received and Agency responses thereto into a Final Environmental Impact Report (the "Final EIR"), the Agency by Resolution certified that the Final EIR was prepared and completed in compliance with CEQA and State and local guidelines and procedures adopted pursuant thereto; and

WHEREAS, the PAC for the Project Area has consulted with the Agency, reviewed the proposed Redevelopment Plan and related documents and made its Report and Recommendation supporting the proposed Redevelopment Plan; and

WHEREAS, the Planning Commission made its Report and Recommendation supporting the proposed Redevelopment Plan and finding that the proposed Redevelopment Plan conforms to the General Plan of the City; and

WHEREAS, the Agency submitted the proposed Redevelopment Plan, to the City Council, together with the Report to the City Council which includes: the reasons for selecting the proposed Project Area; a description of the physical and economic conditions existing in the Project Area causing blight; an implementation plan that describes the goals and objectives of the Agency, specific projects then proposed, including a program of actions and expenditures proposed for the first five years of the Redevelopment Plan and a description of how these projects will improve or alleviate blighting conditions; an explanation of why the elimination of blight and redevelopment of the Project Area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the use of financing alternatives other than tax incrementing financing; the proposed method of financing the redevelopment of the Project Area so that the City Council can determine the economic feasibility of the Plan; a method and plan for the relocation of families and persons who may be temporarily or permanently displaced from housing facilities as a result of the proposed Redevelopment Plan; an analysis of the Preliminary Plan; the Report and Recommendation of the Planning Commission; a summary record of the CAC/PAC proceedings and the PAC's report and recommendations; the Final EIR; the report of the County Fiscal Officer and the Agency's analysis thereof; a summary of consultations with affected taxing agencies; and a Neighborhood Impact Report; and

WHEREAS, the City Council and the Agency held a joint public hearing commencing on December 5, 1995 to consider the approval and adoption of the proposed Redevelopment Plan for the Project Area; and

WHEREAS, notice of said hearing was duly and regularly published in a newspaper of general circulation in the City of Los Angeles once a week for four successive weeks prior to the date of said hearing, and a copy of said notice and affidavits of publication are on file with the City Clerk and at the office of the Agency; and

WHEREAS, copies of the notice of joint public hearing were mailed to residents and businesses and to the last known assessee of each parcel of land in the Project Area by first class mail; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which levies taxes upon property in the Project Area; and

WHEREAS, the Agency adopted a resolution recommending that the City Council approve and adopt the proposed Redevelopment Plan; and

WHEREAS, by separate Resolutions, the Agency and this City Council certified that the information contained in the Final EIR had been reviewed and considered, made all necessary findings and determinations, adopted a Statement of Overriding Considerations and a Reporting and Monitoring Program for Implementation of Mitigation Measures, pursuant to the requirements of CEQA; and

WHEREAS, the City Council has considered the proposed Redevelopment Plan, the Agency's Report to the City Council, other recommendations of the Agency, the Report and Recommendation of the Planning Commission, the Report and Recommendation of the PAC, the economic feasibility of the proposed Redevelopment Plan, and the Final EIR; has provided an opportunity for all persons to be heard and has received and considered all evidence and testimony presented for and against any and all aspects of the proposed Redevelopment Plan, including environmental impacts; and has responded in writing to each written objection of each affected property owner or taxing entity.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ANGELES DOES ORDAIN AS FOLLOWS:

SECTION 1. The purposes and intent of the City Council are to achieve the following goals and objectives with respect to the Project Area:

1. Job retention and generation by supporting existing employers and attracting new employers.
2. Business expansion and creation of new businesses through public and private funding and business development activities.
3. Industrial area stabilization and expansion by appropriate development incentives.
4. Consumer retail, shopping and entertainment outlets in the community as a result of funding and suitable commercial development sites.
5. Housing for all income levels to be provided along with the preservation of existing single family housing stock.
6. Job training and educational programs to be expanded and partnerships formed with regional institutions and resources.
7. The cultural heritage of the area to be preserved and promoted.
8. Improved transportation services through planning and implementation.
9. City services to be increased through planning and implementation, including but not limited to:
 - a. police protection and community relations along with public safety;
 - b. public infrastructure repair, replacement and maintenance;
 - c. adequate code enforcement;
 - d. development and enforcement of urban design standards;
 - e. updated community plan and zoning ordinances; and
 - f. enforcement of environmental standards and clean-up.

10. Community facilities to be maintained and expanded e.g. parks, libraries, senior and youth centers, etc.
11. Marketing and promotion of the area's attributes and desirability.

SECTION 2. That certain document entitled "Redevelopment Plan for the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project," the map and legal description contained therein, and such other documents as are incorporated therein by reference, having been duly reviewed and considered, is hereby incorporated in this Ordinance by reference and made a part hereof, and as so incorporated is hereby designated, approved, and adopted as the official redevelopment plan for the Project Area.

SECTION 3. The City Council hereby finds and determines, based on substantial evidence in the record including, but not limited to, the Agency's Report to Council, and all documents referenced therein, and evidence and testimony received at the joint public hearing on adoption of the Redevelopment Plan commencing on December 5, 1995, that:

- a. The Project Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.).

This finding is based upon, but not limited to, the following physical and economic conditions which characterize the Project Area (Report to City Council ("Report")): The existence of buildings, structures and properties in varying states of deterioration and dilapidation (Id., § V.C.); The existence of buildings and structures with obsolete and defective design or physical construction, including unreinforced masonry construction; deficient light and ventilation, constrained entry, lack of disabled access, lack of trash facilities, and incompatible uses which negatively impinge upon the economic use and/or development of adjacent and surrounding property (Id., § V.D.); The existence of varying degrees of deterioration in regard to physical upkeep and maintenance of parcels, which include deferred maintenance parcels which appear to need minor treatment such as clean-up, de-weeding, minor repairs to fences, etc. and deteriorated parcels which appear to be in need of extensive improvement, have broken walkways or driveways, have deteriorated ground cover, or other attributes that need replacement (Id., § V.E.1.); The existence of deficient parking (Id., § V.E.2.); The existence of litter, debris and graffiti (Id., § V.E.3.); The existence of buildings and structures of shifting uses (Id., § V.B.); The existence of lots of irregular form, shape and inadequate size that are in multiple ownership which impact the economic feasibility of potential development (Id., §§ V.F. & V.G.); The existence of public improvement deficiencies and faulty and inadequate utilities, including substandard street, curb, sidewalk and gutter deficiencies, circulation deficiencies, inconvenient and inadequate access to and from parcels and deficient usable open space (Id., § V.H.); The existence of depreciated and stagnant property values discouraging reinvestment (Id., § VI.D.); The existence of impaired investments including, declining property transfers at declining prices, declining building permit activity, and hazardous waste contamination (Id., § VI.E.1-3.); The existence of a high level of business vacancies and abnormally low rental and lease rates and a high number of vacant lots (Id., § VI.F.1-3.); The shortage or lack of necessary neighborhood-serving facilities, such as supermarkets, lending institutions, drug stores, etc., which affects the social and economic viability of an area (Id., § VI.G.); The existence of residential overcrowding (Id., VI.H); and The existence of high crime rates in and around the Project Area (Id., § VI.I).

- b. The Redevelopment Plan will redevelop the Project Area in conformity with the California Community Redevelopment Law and in the interests of the public peace, health, safety and welfare.

This finding is based upon, but not limited to, the following facts which show that the purposes of the Community Redevelopment Law would be attained by programs and projects of redevelopment activities proposed by the Agency that will systematically address the conditions of blight within the Project Area. The Agency proposes to implement a Commercial Retail Development Program and a Commercial Rehabilitation Program of new development, building rehabilitation and facade improvement. The Commercial Retail Development Program envisions new commercial retail space on currently vacant and deteriorated sites and the intensification of development around major underutilized intersections in the Project Area. Agency activities will consist of providing technical assistance and limited financial assistance to private development entities for land acquisition and preparation of sites for development in order to facilitate private sector development in the Project Area. The Commercial Rehabilitation Program will provide loans for rehabilitation and improvement of commercial and office buildings to promote their reuse and revitalization. The facade improvement component will provide low interest loans which match amounts to be invested by business owners for cleanup and improvement of commercial structure facades. (Id., § VIII.C.1-2.) The Agency's Industrial Development Program envisions the development of new industrial space on currently vacant industrial sites and a loan program for rehabilitation of industrial buildings to promote their reuse and revitalization. Agency participation would most likely include land assembly, relocation assistance if needed, construction of public improvements and technical and limited financial assistance. (Id., § VIII.C.3) The Agency's Public Improvements Program will provide and indirectly facilitate public improvements to upgrade those elements in unsound condition and provide new amenities including, but not limited to: Construction and reconstruction of streetscape, signage and landscaping improvements; Construction and reconstruction of parking facilities and transportation-related amenities; and Joint development with the Metropolitan Transportation Authority of transportation and related improvements. (Id., § VIII.C.4.) The Agency's Infill Housing Program will construct affordable housing on an infill basis in the Project Area for the duration of the Redevelopment Plan. Agency participation will include provision of funding assistance. (Id., § VIII.C.5) The Agency's Housing Rehabilitation Program envisions making funds available on a project-wide basis to rehabilitate housing units in the Project Area. The Agency anticipates providing low interest residential rehabilitation loans for very low-, low- and moderate-income residents. (Id., § VIII.C.6) The Agency proposes a Clean and Safe Program, organized in concert with local business owners and non-profit organizations, to address maintenance and safety issues in the Project Area. Activities may include upgraded maintenance and cleaning of streets, improved security measures and training of merchants to participate in community-based clean-and-safe activities. (Id., § VIII.C.7) The Agency will work with the community to establish specific guidelines for development and improvement of industrial, commercial and residential areas which will identify opportunities/constraints within the public and private property domains, and will focus on creating a visually attractive environment. (Id., § VIII.C.8.) The Agency will implement other Public Service, Management and Regulatory Programs to facilitate and provide needed services and facilities in the Project Area that are identified by the community as being inadequate or nonexistent. In cooperation with various public agencies and/or private entities,

activities may include: expansion of job training and youth services; City historic designation of landmark buildings; establishment and operation of additional DASH shuttle bus service focusing on east-west linkages within the Project Area; development of promotional and marketing plans; zoning and community plan revision; and code enforcement. (Id., § VIII.C.9.)

- c. The adoption and carrying out of the Redevelopment Plan is economically sound and feasible.

This finding is based upon, but not limited to, the following financial provisions of the Redevelopment Plan authorizing the Agency to finance Project implementation activities with financial assistance from the City, State, Federal government, tax increment funds, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property, participation in development or any other available sources, both public or private. Potential revenue sources include tax increment receipts; sales tax revenues; proceeds from tax increment bonds; and notes, loans, grants and contributions from the City, County, State, Federal government and project developers. The determination of financial feasibility is determined on a cash flow basis which is a projection of assumed annual resources and expenditures spanning the 30-year period of effectiveness of the Redevelopment Plan. The analysis provides a method for determining the economic feasibility or sufficiency of resources to implement the redevelopment program on an annual as well as an aggregate basis, and a determination of the potential effects of inflation on the annual program costs to the Agency. The cash flow projection shows that implementation of the redevelopment program in the Project Area is feasible under the assumptions explained and within the following general parameters; that actual timing and costs of the redevelopment program are as projected; and, that new development activities will occur as projected assuming the continuation of necessary Agency assistance. The existence of the cash balance at the termination of the Redevelopment Plan indicates that the Project is economically feasible given the assumptions underlying the cash flow, and that even with some adverse adjustments to the assumptions, the Project would remain economically feasible. (Id., § VII.C)

- d. The Redevelopment Plan conforms to the General Plan of the City, including, but not limited, to the Housing Element, which substantially complies with applicable legal requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

This finding is based on the Report and Recommendation of the Planning Commission, and the fact that the land use and land use controls of the Redevelopment Plan and the General Plan are consistent. (Id., § XIII.)

- e. The carrying out of the Redevelopment Plan will promote the public peace, health, safety and welfare of the City, and will effectuate the purposes and policies of the Community Redevelopment Law.

This finding is based in part upon the fact that redevelopment will benefit the Project Area by correcting conditions of blight and by coordinating public and private actions to stimulate development and improve the economic and physical conditions of the Project Area, and by increasing employment opportunities. (Id., §§ II., V., VI. & VIII.)

- f. The condemnation of real property is necessary to the execution of the Redevelopment Plan, and adequate provisions have been made for payment for property to be acquired as provided by law.

This finding is based upon, but not limited to, the need to ensure that the provisions of the Redevelopment Plan will be carried out to eliminate and prevent the recurrence of blight subject to the limitations contained in the Plan, and the fact that no property will be acquired unless adequate funds are available to pay full compensation therefor in accordance with law; and the need to ensure that the provisions of the Redevelopment Plan will be carried out to remove substandard structures requiring clearance, to provide land for needed public facilities, to eliminate impediments to land development through assembly of land into parcels of reasonable size and shape and to effect a change in the land use as provided in the Redevelopment Plan. The Agency is not authorized to acquire, by eminent domain, property in any residentially designated area.

- g. The Agency has a feasible method and plan for the relocation of families and persons displaced from the Project Area. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to the Community Redevelopment Law.

This finding is based upon the Agency's comprehensive program for the relocation of persons, families, businesses or tenants displaced by Agency project activities. When such displacement occurs, the Agency will provide persons, families, business owners and tenants displaced by Agency activities with monetary and advisory relocation assistance consistent with the California Relocation Assistance Law (Government Code Section 7260 et seq.), the State Guidelines adopted and promulgated pursuant thereto, Relocation Assistance Rules adopted by the Agency and the provisions of the Redevelopment Plan. (Id., § IX.)

- h. There are, or shall be provided, within the Project Area, or other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons displaced from the Project Area, decent, safe and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their places of employment. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Health and Safety Code Sections 33411 and 33411.1. Dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to provisions of Health and Safety Code Sections 33334.5, 33413 and 33413.5.

This finding is based in part upon the fact that no person or family will be required to move from any dwelling unit until suitable relocation housing is available for occupancy, and that such housing must meet the standards established in State law and regulations. In addition, the Agency's program includes provisions for the replacement of low- and moderate-income housing removed from the market as a result of Agency activities. (Id., § IX.)

- i. All noncontiguous areas of the Project Area are either blighted or necessary for effective redevelopment and are not included for the purpose of obtaining the

allocation of taxes from the area pursuant to Section 33670 without other substantial justification for their inclusion.

The Project Area is comprised of two noncontiguous areas which are separated by portions of the Santa Monica Freeway which are excluded from the Project Area. For the reasons set forth in Section 3.a above, each noncontiguous area is a predominantly blighted area.

- j. Inclusion of any lands, buildings, or improvements which are not detrimental to public health, safety or welfare is necessary for the effective redevelopment of the area of which they are a part, and any such area included is necessary for effective redevelopment and is not included solely for the purpose of obtaining the allocation of tax increment revenues from the area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion.

The justification in part for inclusion of such properties is that they are necessary: to plan and carry out redevelopment of the Project Area as a uniform whole in order to effectuate redevelopment of the Project Area; to impose uniform requirements over geographically defined and identified areas of the City; because such properties are impacted by the substandard conditions existing on surrounding properties, and correction of such conditions may require the imposition of design, development, or use requirements on the standard properties in the event they are rehabilitated or redeveloped by their owners; because such properties will share in the physical, social and economic benefits which accrue to the area through the elimination of substandard conditions, including the replacement or provision of new public improvements and facilities within or serving the Project Area; and because such properties are part of an area found to be blighted. (Id., §§ II., V. & VI.)

- k. The elimination of blight and the redevelopment of the Project Area could not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency.

This finding is based upon the existence of blighting influences, including the lack of adequate public improvements and facilities, and the inability of individual owners and developers to economically remove these blighting influences without substantial public assistance. Analysis of physical and economic conditions in the Project Area indicate that redevelopment is needed in order to provide needed infrastructure, services and blight alleviation. Current conditions in the Project Area are such that the normal returns sought by investors are not likely to materialize. Current rent levels are low and many properties are in need of some level of rehabilitation. These low rent levels do not support the additional investment necessary for rehabilitation. Yet without rehabilitation, the downward cycle of physical and economic decline of these properties is reinforced. Modern retail and commercial development standards require larger parcels than those prevalent in the Project Area. Investors would have to acquire multiple properties in order to create developable parcels of sufficient size. However, the additional costs of acquiring parcels of varying ownership and costs of demolition increase the costs of development and further reduces the potential returns to investors. The high crime rate and fear of crime prevalent in the Project Area have discouraged investment and require extraordinary costs to mitigate. These

additional costs cannot be passed on to tenants and further discourage private investment. (Id., § II.D.1.)

- I. The Project Area is predominantly urbanized as defined in the Community Redevelopment Law.

This finding is based upon the fact that all property in the Project Area has been developed for urban uses, is characterized by physical and economic blight conditions and is an integral part of an area developed for urban uses. (Id., § II.E.)

- m. The time limitation that is contained in the Redevelopment Plan is reasonably related to the proposed projects to be implemented in the Project Area and to the ability of the Agency to eliminate blight within the Project Area.

This finding is based in part upon the fact that the analysis to determine the economic feasibility of the Project was projected on a cash flow basis assuming annual resources and expenditures and redevelopment strategies throughout the term of the Project. The analysis projects the redevelopment activities, actual timing and costs until termination of the Redevelopment Plan. (Id., § VII.)

- n. The City Council is satisfied that permanent housing facilities will be available within three (3) years from the time occupants of the Project Area are displaced and that, pending the development of the facilities, there will be available to the displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

This finding is based in part upon the Agency's assurances regarding displaced residents and relocation housing and the procedures involved in implementing the Agency's Plan and Method of Relocation. (Id., § IX.)

SECTION 4. All written and oral objections to the Redevelopment Plan filed with and presented to the City Council and all written responses thereto, have been considered by the City Council at the time and in the manner required by law, and such written and oral objections are hereby overruled.

SECTION 5. In order to implement and facilitate the implementation of the Redevelopment Plan hereby approved, this City Council hereby declares its intention to undertake and complete any proceeding necessary to be carried out by the City of Los Angeles under the provisions of the Redevelopment Plan.

SECTION 6. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Redevelopment Plan.

SECTION 7. The City Clerk is hereby directed to record with the County Recorder of Los Angeles County a description of the land within the Project Area and a statement that proceedings for the redevelopment of the Project Area have been instituted under the Community Redevelopment Law.

SECTION 8. The Department of Building and Safety of the City of Los Angeles is hereby directed for a period of two (2) years after the effective date of this Ordinance to advise all applicants for building permits within the Project Area that the site for which a building permit

is sought for the construction of buildings or for other improvements is within a redevelopment project area.

SECTION 9. The City Clerk is hereby directed to transmit a copy of the description and statement recorded by the City Clerk pursuant to Section 7 of this Ordinance, and a map or plat indicating the boundaries of the Project Area, to the Auditor and Tax Assessor of Los Angeles County, to the governing body of each of the taxing agencies which levies taxes upon any property in the Project Area, and to the State Board of Equalization.

SECTION 10. If any part of this Ordinance or the Redevelopment Plan which it approves is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan, and this Council hereby declares that it would have passed the remainder of the Ordinance or approved the remainder of the Redevelopment Plan if such invalid portion thereof had been deleted.

SECTION 11. The City Clerk shall certify to the passage of this Ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of DEC 13, 1995.

ELIAS MARTINEZ, City Clerk

By [Signature] Deputy

[Signature]
Frank Mayer

Approved DEC 21 1995

Approved as to Form and Legality

James K. Hahn, City Attorney

By [Signature]
Deputy City Attorney

File No. 95-0667