

ORDINANCE NO. 170769

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LOS ANGELES APPROVING AND ADOPTING THE
REDEVELOPMENT PLAN FOR THE WATTS CORRIDORS
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, the Community Advisory Committee (the "CAC") for the Watts Corridors Recovery Study Area requested that redevelopment be formally considered for a proposed redevelopment project in the Study Area; and

WHEREAS, the Agency and the Planning Commission of the City of Los Angeles (the "Planning Commission") cooperated in the preparation and approval of a Preliminary Plan selecting the boundaries of the proposed Watts Corridors Recovery Redevelopment Project ("Project Area"); and

WHEREAS, the Agency has formulated and prepared the proposed Redevelopment Plan for the Watts Corridors Recovery Redevelopment Project Area (the "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 Watts Corridors Recovery Program 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 CAC 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, social and economic conditions existing in the Project Area causing blight; a description of specific projects proposed by the Agency and how they will improve or alleviate blight; an implementation plan that describes 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 proceedings and CAC'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 taxing agencies; and a Neighborhood Impact Report; and

WHEREAS, the City Council and the Agency held a joint public hearing commencing on November 15, 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 residential and business tenants 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 this date 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 CAC, 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. Provide for jobs and training.
 - a. Hire and train local residents.
 - b. New construction or rehabilitation work must provide jobs for local residents.
 - c. Training and apprenticeship opportunities, with an emphasis on youth, on all development projects to the greatest extent feasible.
 - d. Capitalize on special districts such as the enterprise zone, enterprise community incentives.
 - e. Retraining and cross training for unemployed adults.
 - f. Jobs and training for new technology occupations.
 - g. Identify and utilize Americorp resources and new grant funds.

2. Attract and improve commercial and industrial development.
 - a. New development on vacant and/or underutilized properties.
 - b. No displacement before development.
 - c. Provide jobs for local residents. The Agency shall use its best efforts to provide a minimum of 70% of all project jobs to local residents to the greatest extent feasible.
 - d. Use local contractors on a preferential basis.
 - e. Establish joint ventures between corporations and local enterprise.

- f. Develop business and industrial incubators. Create small business incubators to increase and promote local entrepreneurial opportunities.
 - g. Fair access to business opportunities for members of the community.
 - h. Emphasis shall be on the retention and expansion of commercial and industrial uses.
3. Revitalization.
- a. Encourage the improvement of existing retail, commercial and industrial properties.
 - b. Include resources from all available City, public and private sources.
 - c. Promote stricter enforcement of codes and regulations regarding dumping, abandoned vehicles, drug houses, fire safety, and vehicle registrations.
 - d. Enhance design and development standards, particularly for building signage. Improve public image through signage and logo creation.
 - e. Promote stricter controls on local business and industrial practices, including frontage, clean-up, and trash collection removal.
 - f. Develop design themes for commercial corridors and neighborhoods.
4. Obtain business and development financing.
- a. Promote establishment of low interest and flexible loans and business development financing to encourage new business growth and expand existing businesses.
 - b. Promote assistance programs to encourage local business involvement.
 - c. Locate, define and make available grant monies to support local business development.
 - d. Secure Senate Bill 268 technology reinvestment.
 - e. Promote the provision of technical assistance for businesses.
 - f. Structure and establish programs to attract venture capital.
 - g. Establish programs to encourage mentoring relationships to assist novice businesses.
 - h. Identify and secure Americorp resources to support local businesses.
 - i. Utilize the inherent potential of the enterprise zone and enterprise community opportunities.

5. Residential development.

- a. Encourage moderate income housing in the area.
- b. Encourage the rehabilitation of housing in residential areas.
- c. Encourage home ownership in residential areas.

SECTION 2. That certain document entitled "Redevelopment Plan for the Watts Corridors 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 held on November 15, 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 on the following physical and economic conditions which characterize the Project Area (Report to City Council ("Report"), § II.A.3.): The existence of buildings, structures and properties in varying states of deterioration and dilapidation (Id., § V.D.); The existence of buildings and structures with obsolete and defective design or physical construction, including unreinforced masonry, deficient light and ventilation, constrained entry, lack of disabled access, lack of trash facilities, and incompatible uses (Id., § V.E.); The existence of varying degrees of deterioration in regard to physical upkeep and maintenance of Parcels (Id., § V.F.1.); The existence of deficient vehicle access and circulation problems associated with individual properties and deficient parking (Id., § V.F.2. & 3.); The existence of buildings and structures of incompatible and shifting uses (Id., § V.G.); The existence of lots of irregular form, shape and inadequate size that are in multiple ownership (Id., § V.G.); The existence of public improvement deficiencies and faulty and inadequate utilities, including street, curb, sidewalk and gutter deficiencies, inadequate parking and circulation deficiencies and inconvenient access to and from commercial parcels (Id., § V.H. & G.); The existence of litter, debris and abandoned vehicles (Id., § V.F.4.); The existence of depreciated and stagnant property values (Id. § V.D.); The existence of impaired investments including, declining building permit activity, declining property transfers at

declining prices 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. (Id., § VI.G.); The existence of residential overcrowding (Id., VI.H); and 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 the fact 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 program of new development, rehabilitation and facade rehabilitation. This 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 rehabilitation program will provide loans for rehabilitation and improvement of commercial and office buildings to promote their reuse and revitalization. The facade rehabilitation program will provide low interest loans which match amounts to be invested by business owners for cleanup and improvement of commercial structure facades. (Id., § II.B.1.) 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., § II.B.2.) The Agency envisions new mixed use retail and residential development. (Id., § II.B.3.) The Agency proposes a program for residential uses by providing rehabilitation subsidies within the Watts Corridors. (Id., § II.B.4.) The Agency's Public Improvements Program includes projects such as: Construction and reconstruction of sewers, utilities, streets, curbs, gutters, sidewalks, lighting, traffic signalization, informational signage, and other pedestrian and vehicular amenities; Construction and reconstruction of parking facilities and transportation-related amenities; Construction and reconstruction of streetscape, signage and landscaping improvements; Installation of public improvements such as streetscape and landscaping along major corridors and street intersections, street paving and alley improvement as needed in

- 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 on 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 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. This finding is based upon 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.

- 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 fact that the Agency has a 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 333411.1. 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 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 justification for the inclusion of the noncontiguous areas is that the City Council directed the Agency to focus on recovery and revitalization of commercial and industrial areas affected by the April 1992 civil unrest and to facilitate the alleviation of physical and economic blighting conditions contributing to the unrest. In this respect, after preliminary study and findings, ten (10) noncontiguous subareas were selected as the Project Area, which includes mostly commercial block frontages and several industrial use parcels along major street corridors. The subareas of the Project Area are characterized by physical deterioration, economic stagnation and social decay, and these conditions of urban blight are so prevalent and long standing that it is unreasonable to expect that private sector market forces and/or government actions acting alone can accomplish economic revitalization without redevelopment. (Id., §§ I.A. & II.A.)

- 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 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 need 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 lease rates are low and 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 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 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, 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 on 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 on 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 9 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 NOV 15 1995, 1995.

ELIAS MARTINEZ, City Clerk

By  Deputy

Approved NOV 21 1995

 Mayor

the Project Area. (Id., § II.B.5.) 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, The program will identify, ease and remove impediments to development. (Id., § II.B.6.) The Agency proposes to undertake other engenderment programs in cooperation with the community, various public agencies and/or private entities which may include: Activities addressing issues of crime and security within and adjacent to the Project Area; Creation of Design Guidelines to assist potential developers and owners in the design of new facilities/buildings and the rehabilitation of existing facilities/buildings to enhance the existing resources of the Project Area; Activities encouraging and facilitating the occupancy of cultural, educational and recreational uses and services in the Project Area to enhance existing uses; Programs facilitating job creation and training services and enterprise development and assistance services to provide employment opportunities for area residents. (Id., § II.B.7)

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

This finding is based on the fact that the Redevelopment Plan authorizes 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 Term of the Project. 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 demonstrates 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)

Approved as to Form and Legality

James K. Hahn, City Attorney

By Marcia Gonzalez-Kimbly
Deputy City Attorney

File No. 95-1921