

ORDINANCE NO.        **170806**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR THE WILSHIRE CENTER/KOREATOWN 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; and

WHEREAS, a Community Advisory Committee (the "CAC") and four working task forces were jointly appointed by Councilpersons John Ferraro, Nate Holden and Jackie Goldberg, representing the Fourth, Tenth and Thirteenth Council Districts, to work with the Agency to study and evaluate revitalization strategies for a recovery redevelopment program in the area; and

WHEREAS, the CAC in cooperation with the Agency identified community needs, formulated goals and objectives, refined proposed project area boundaries and provided advice and input in all aspects of preparation and implementation of a redevelopment plan; and

WHEREAS, on February 17, 1994, 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 Wilshire Center/Koreatown Recovery Redevelopment Project (the "Project Area"); and

WHEREAS, subsequently, it was determined that 40 parcels within the selected Project Area boundaries had to be deleted from the Project Area because they were already included in the East Hollywood/Beverly-Normandie Earthquake Disaster Assistance 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, the Agency has formulated and prepared the proposed Redevelopment Plan for the Wilshire Center/Koreatown Recovery Redevelopment Project (the "Redevelopment Plan"); and

WHEREAS, on November 2, 1995, the Planning Commission formally adjusted the proposed Project Area boundaries by deleting the 40 parcels 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 proposed 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 Planning Commission made its Report and Recommendation supporting the proposed Redevelopment Plan and finding that the proposed Redevelopment Plan substantially 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 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 increment 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; 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 6, 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 has 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 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. Eliminate and prevent the spread of blight and deterioration in accordance with the Redevelopment Plan, the City of Los Angeles Wilshire District Plan and the Agency's Annual Work Program.
2. Encourage the involvement and participation of property owners, residents, business persons, religious and community organizations to meet the diverse needs.
3. Promote the economic, social, educational and cultural and physical well-being through the revitalization of the residential, commercial and industrial areas.
4. Promote the livability of the Project Area as a cohesive and sustainable neighborhood.
5. Encourage the development of housing in a wide range of types, prices, rent levels and ownership options.
6. Enhance the safety and security of residents, businesses, employees and visitors.
7. Encourage the employment of Project Area residents.
8. Promote educational and job training opportunities for Project Area residents by working with the Los Angeles Unified School District, public and private employers and institutions.
9. Provide for an efficient circulation system coordinated with land uses and densities and adequate to accommodate traffic. Also, encourage improvement of public transit services in coordination with other public improvements.
10. Promote programs that recognize and support the diverse cultures.
11. Provide additional open space and recreational activities and facilities.
12. Enhance and beautify the major thoroughfares, particularly the north/south streets that link the freeways.
13. Promote and encourage artists, crafts people and entertainers to live and work within the Project Area.

14. Develop a cultural and entertainment district to establish a regional identity for a significant commercial, retail, and residential center.
15. Preserve historical buildings and monuments, where feasible.
16. Establish sign standards and controls to avoid clutter and communicate a sense of hospitality.
17. Coordinate the revitalization efforts and take advantage of other programs in the City of Los Angeles and other local, state and federal agencies.
18. Promote and encourage the development of bicycle-friendly streets and a full range of amenities, where feasible.

**SECTION 2.** That certain document entitled "Redevelopment Plan for the Wilshire Center/Koreatown 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 6, 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 which are the result of physical decay of building components, defective or obsolete design, usage or design alteration, poor parcelization and shifting and incompatible land uses, as well as economic decline of existing uses and deteriorating social conditions. (Id., § V.D.1); The existence of varying degrees of deterioration in regard to physical upkeep and maintenance of parcels (Id., § V.D.2); The existence of residential overcrowding which contributes substantially to unsafe and unhealthy living conditions (Id., §§ V.E. & V.I.G); The existence of buildings and structures with obsolete and defective design or physical construction (§ V.G.1); The existence of buildings with substandard design, including inadequate floor plate size and changed development standards and market conditions (Id., § V.G.2); The existence of inadequate parking and inconvenient access to commercial parcels (Id., § V.H.1); The existence of litter, debris and graffiti (Id., § V.H.2); The existence of buildings and structures of incompatible and shifting uses (Id., § V.G.3); 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.I); The existence of public improvement deficiencies, including deteriorated curbs,

sidewalks and gutters (Id., § V.K); The existence of depreciated and stagnant property values discouraging reinvestment (Id., § VI.D); The existence of impaired investments including, a high level of business vacancies and declining rental and lease rates, a decline in property market value and increasing operating expenses (Id., §§ VI.E. & F); and The existence of high crime rates in and around the Project Area (Id., § VI.H).

- 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 an Economic Development Program which will promote business retention and expansion and attract new business into the Project Area. Agency activities will consist of the development of a business incentive program which could include: low interest loans or grants to certain businesses for the rehabilitation of the exterior facade, correction of building and safety code violations, or interior tenant improvements; rebates of local licenses or fees; development of childcare facilities for area employees; facilitate the development and/or master-planning of large vacant parcels in accordance with the stated goals. (Id., § VIII.C.1). The Agency's Retail Marketing Strategy Program will develop a marketing program that will coordinate the efforts of public and private groups aimed at promoting business for the City of Los Angeles and the Project Area (Id., § VIII.C.2). The Agency's Transportation, Public Improvement and Community Enhancement Program will help to strengthen the community's identity and historical significance, create unique public spaces that will promote a "sense of place", and foster "neighborhood building" as well as contribute to a positive business environment, and will improve traffic circulation and transit systems. (Id., § VIII.C.3) The Agency's Residential Neighborhood Stabilization/Housing and Social Needs Program will fulfill the Agency's obligation to provide low- and moderate-income housing and to promote programs that serve the social needs of Project Area residents. Examples of activities that could be undertaken include: low interest loans or grants to owners of residential properties; the encouragement of local community involvement in and providing assistance for the implementation of graffiti removal, local neighborhood clean-up, tree planting efforts, etc.; continuation and enlargement of a pilot program of training apartment managers and owners in management techniques to avoid problem tenants, illegal unit overcrowding and encouragement of stable tenancies; facilitate the development of a social service provider network in order to cooperate in an efficient delivery of services between providers; and solicitation of input from the community on ways to reduce crimes such as auto theft, burglaries, drug trafficking related to gang activity and pan-handling. (Id., § VIII.C.4).

- 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 upon 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. 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. The Agency shall not acquire any property by eminent domain upon which any persons legally reside.

- 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 in part 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 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, but not limited to, 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. 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).

- j. 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, but not limited to, the existence of blighting conditions and the inability of individual owners and developers to economically remove these blighting influences without substantial public assistance. Current conditions in the Project Area are such that the normal returns sought by investors are not likely to materialize. The high vacancy rate contributes to falling lease rates and economic and physical deterioration of the office and retail sector. Reduced building income forces owners to defer maintenance, hinders their ability to provide tenant improvements to prospective occupants, and has resulted in foreclosure and/or forced sale of some properties. High vacancy rates and low lease rates make new office and retail development financially unattractive to lenders and investors, as well as financially infeasible in many instances, and contributes to the long term persistence of vacant parcels and the fall of commercial land values. 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.B.1).

- k. 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.C).

- I. 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).

- m. 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 7 of this Ordinance, and a map

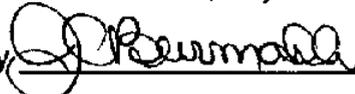
or plat indicating the boundaries of the Project Area, to the Auditor and Tax Assessor of Los Angeles County, to the governing body of each of the taxing agencies which levies taxes upon any property in the Project Area, and to the State Board of Equalization.

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.

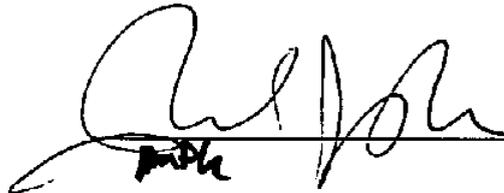
SECTION 11. The City Clerk shall certify to the passage of this Ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

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

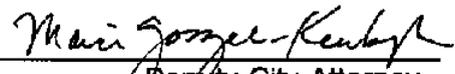
By  Deputy

Approved DEC 21 1995

 Mayor

Approved as to Form and Legality

James K. Hahn, City Attorney

By   
Deputy City Attorney

File No. 95-2160