

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 1, 2019

CAO File No. 0220-05440-1330

Council File No. 12-0049-S5;
12-0049-S10;
12-0049-14;
16-0600-S145

Council District: 1, 8, 9, 10, 11, & 14

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department (HCID) transmittal dated January 14, 2019; Received by the City Administrative Officer on January 18, 2019; Additional Information Received through February 28, 2019

Subject: **REQUEST FOR APPROVAL TO EXECUTE DISPOSITION AND DEVELOPMENT AGREEMENTS; OWNERS PARTICIPATION AGREEMENT; AND, VARIOUS OTHER ACTIONS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON CITY-OWNED PROPERTY**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Adopt Recommendations I through VI of the Housing and Community Investment Department (HCID) transmittal (Report) dated January 14, 2019 relative to the request to execute Disposition and Development Agreements or Owner Participation Agreement with selected developers, and various other actions for the development of affordable housing on City-owned property;
2. Instruct the HCID, Los Angeles Department of Transportation, and Cultural Affairs Department to report back to Council and request authority if the developer will charge a fee for parking spaces at the 4600 and 4601 W. Washington Boulevard sites, including for the patrons of the Nate Holden Performing Arts Center, which is currently under the jurisdiction of the Cultural Affairs Department; and,
3. Authorize the General Manager of HCID, or designee to prepare Controller instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute Disposition and Development Agreements (DDA) or Owners Participation Agreement (OPA) with developers selected through competitive Request for Proposals (RFP) or Request for Qualification/Proposals (RFP/Q) processes that include the agreement to convey the housing asset (public land) for affordable housing development, along with various other actions. A list of the three developers is included in the HCID's transmittal (Report) dated January 14, 2019. The HCID also requests authority for the City Attorney to prepare loan-related documents and an Ordinance to effectuate the sale of 557 S. Crocker Street. Finally, the HCID requests authority to reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreements through March 31, 2020 for five City-owned properties, and through March 31, 2021 for one City-owned property.

California Environmental Quality Act Review

The three properties in consideration for executing a DDA or OPA were under a California Environmental Quality Act (CEQA) Review at the time HCID released its Report. The Department now reports that all three properties have been deemed exempt from a CEQA Determination.

Los Angeles Department of Transportation Parking Site

As discussed in the City Administrative Officer report dated February 19, 2019 (C.F. 12-0049-S5), there are currently 84 parking spaces at the 4600 and 4601 W. Washington Boulevard properties. The Los Angeles Department of Transportation (LADOT) confirmed that the existing parking lot is closed to the public during the day, but is made available to patrons of the Nate Holden Performing Arts Center (Center) for special events. The Center is a City facility currently leased by the Ebony Repertory Theatre, which provides complimentary parking at the LADOT site. Therefore, the subject site does not generate revenue for the City. The HCID reports that LADOT determined that no public parking is needed in the area and is not requiring replacement parking. However, the HCID also reports that a parking study was not completed. The selected developer proposes to build 90 parking spaces, of which 72 spaces will be made available for the patrons of the Center. The HCID states that it has not yet been determined if there will be a fee for the use of the 90 new parking spaces, but noted that any revenue generated by the new parking spaces will go to the developer. The addition of parking at the site should be consistent with any existing permits or leases related to City facilities utilizing the City parking lot. Our Office recommends that if the developer will develop spaces and charge for parking, then HCID, LADOT, and the Cultural Affairs Department should return to Council prior to the execution of a ground lease with the developer and report on the following: 1) the estimated revenue to be generated from the parking spaces, 2) the impact of charging for parking on the Center's patronage, and 3) whether charging for parking would violate the Ebony Repertory Theatre's current lease with the City. Our Office concurs with the recommendations of the Department, as amended to reflect previous recommendations adopted by the Housing Committee on February 27, 2019 related to the 4600 and 4601 W. Washington Boulevard properties.

FISCAL IMPACT STATEMENT

There is a potential General Fund impact. The Special Parking Revenue Fund (SPRF), which collects parking revenue from Los Angeles Department of Transportation (LADOT)-owned parking facilities and lots, transfers its annual surplus to the General Fund. This parking lot currently does not charge fees for parking so the lot does not generate parking revenue. There is a potential positive General Fund Impact if the City or the developer begins to charge parking fees for this lot upon completion of the development. The recommendations in this report are in compliance with the City's Financial Policies in that there is no additional cost to the City, and no additional funding commitments are being made at this time. Potential project funding sources include State tax-exempt bonds, State grants and/or loans, State tax credits, private financing, the Affordable Housing Trust Fund, and a HHH Supportive Housing Loan, among others.

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