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REPORT NO. R 18 - 0060
MAR 0 1 2018

REPORT RE:

AN ORDINANCE AUTHORIZING THE EXECUTION OF THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LOS ANGELES AND THE WALTER AND AESHEA JAYASINGHE FAMILY TRUST, RELATING TO REAL PROPERTY IN THE WESTLAKE COMMUNITY PLAN AREA, AND LOCATED AT 1900-1936 WEST WILSHIRE BOULEVARD, 657-671 SOUTH BONNIE BRAE, AND 654-668 SOUTH WESTLAKE AVENUE

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 17-1272
CPC-2016-3143-DA
Council District 1

Honorable Members:

On October 12, 2017, the City Planning Commission recommended that the City Council adopt a development agreement between The Walter and Aeshea Jayasinghe Family Trust (the Developer) and the City (the Development Agreement). On January 16, 2018, the Planning and Land Use Management (PLUM) Committee took actions modifying the terms of the Development Agreement and requesting that our Office prepare and present an ordinance authorizing the execution of this Development Agreement. On February 22, 2018, the City Planning Commission disapproved of the modifications made to the Development Agreement and recommended that the City Council not adopt it.

Pursuant to PLUM Committee's January 16, 2018, request, this Office has prepared and now transmits for your consideration a draft ordinance, approved as to form and legality, and the Development Agreement, as modified by PLUM, in a form we can also approve.

Background

The Development Agreement is proposed in conjunction with a mixed-use development in the Westlake neighborhood of Council District 1, which will consist of the conversion and rehabilitation of an existing 14-story medical office building into new 220-room hotel; the construction of a new 5-story, approximately 70,000 square-foot, multi-cultural and performing arts center; and the construction of a new 41-story apartment tower containing 478 dwelling units.

The Development Agreement for this project is generally consistent with the City's prior development agreements and has a term of 15 years. Under the Development Agreement, the Developer has agreed to provide the following:

- Developer shall pay \$2 million to New Economics for Women to assist with an existing affordable housing development;
- Developer shall pay \$450,000 to the Council District No. 1 Public Benefit Trust Fund to provide for a variety of services within the vicinity of the project;
- Developer shall pay \$20,000 to LAPD's Rampart Division towards the purchase of surveillance equipment;
- Developer shall pay \$30,000 to Unite Here Local 11's Hospitality Training and Education Fund;
- Developer shall allow the Project's Multi-Cultural Center to be used by the surrounding community and for neighborhood programming;
- Developer shall enter into a Project Labor Agreement with the Los Angeles/Orange Counties Building and Construction Trades Council;
- The Project shall contain ten dwelling units reserved for Workforce Housing; and
- The Project shall be prohibited from installing any billboards on the Project site.

City Planning Commission Action and Findings

The October 12, 2017, City Planning Commission action included the recommended approval of the Development Agreement. However, PLUM Committee modified the terms of the Development Agreement to allow for the \$2 million payment to New Economics for Women to be made at a later date and to allow the ten dwelling units in the Project to be reserved for Workforce Housing instead of Very Low Income Housing. For that reason, on February 22, 2018, the City Planning Commission disapproved this version of the Development Agreement and recommended that the City Council not adopt it. Because the City Planning Commission recommended against the approval of the ordinance, Charter Section 558 requires a two-thirds vote of the City Council to adopt the proposed ordinance. Should the City Council adopt the proposed ordinance, it may comply with the provisions of Charter Section 558 and the Government Code by adopting the findings prepared by the Department of City Planning that are contained in the Planning Department staff report to the City Planning Commission, at Pages F-1 through F-2, or by making its own findings.

California Environmental Quality Act (CEQA)

On October 12, 2017, the City Planning Commission took the following action:

Recommended that the City Council find, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in Mitigated Declaration No. ENV-2016-3144-MND (Mitigated Negative Declaration), adopted on March 3, 2017 (under VTT-74297), with mitigation measures and Mitigation Monitoring Program prepared for the Mitigated Negative Declaration; and pursuant to CEQA Guidelines 15162 and 15164, no subsequent, EIR, negative declaration, or addendum is required for approval of the project.

Government Code Requirements for Notice and Hearing

Before taking action on either the draft ordinance or the Development Agreement, the City must comply with the provisions of Government Code Sections 65867, 65090 and 65091. Those sections require, among other things, notice and a public hearing. In addition, the City's development agreement procedures state that the City Council shall not take any action on any development agreement prior to the expiration of a 24-day notice.

Recommended Actions

If the City Council wishes to approve the proposed ordinance and Development Agreement, it must:

- (1) Find, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in Mitigated Declaration No. ENV-2016-3144-MND (Mitigated Negative Declaration), adopted on March 3, 2017 (under VTT-74297), with mitigation measures and Mitigation Monitoring Program prepared for the Mitigated Negative Declaration; and pursuant to CEQA Guidelines 15162 and 15164, no subsequent, EIR, negative declaration, or addendum is required for approval of the project; and
- (2) Previously have approved all the related entitlements; and
- (3) Adopt the enclosed draft ordinance authorizing the execution of the Development Agreement by a two-thirds vote.

Council Rule 38 Referral


Pursuant to Council Rule 38, copies of the draft ordinance and the Development Agreement were sent to the Department of Building and Safety and to the Housing and Community Investment Department with a request that all comments, if any, be directed to your Honorable Body or your Committees at the time this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Laura Cadogan Hurd at (213) 978-8177. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Very truly yours,

MICHAEL N. FUERER, City Attorney

By


DAVID MICHAELSON
Chief Assistant City Attorney

DM/LCH:mgm
Transmittal