

STATUTORY EXEMPTION and GOVERNMENT OPERATIONS COMMITTEE REPORT relative to the sale of property located at 710 East 111th Place (APN 6071-022-902), pursuant to Government Code Section 54221(f)(l)(D), to Kedren Community Health, Inc. (Kedren).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. DETERMINE that:
  - a. The sale of the Property for Kedren Community Health's project is statutorily exempt from the California Environmental Quality Act under Section 5960.3 (b), applicable to a facility project being funded in part by California Behavioral Health Continuum Infrastructure Program funds, that meets all applicable requirements.
  - b. In accordance with Los Angeles Administrative Code (LAAC) Division 7, Chapter 1, Article 4 Section 7.27, that the sale of City-owned property is in the public interest.
2. AUTHORIZE the Department of General Services (GSD), with the assistance of the City Attorney, to execute a purchase and sale agreement and all documents necessary to effectuate the transfer of the property at 710 East 111th Place in Council District Eight to Kedren Community Health based on the terms specified in the Findings Section of the October 16, 2024 Municipal Facilities Committee (MFC) Report, attached to the Council File, for the sale of the Property.
3. REQUEST the City Attorney to prepare and present an ordinance in connection with the sale of the property at 710 East 111th Place, without notice of sale or advertisement of bids, to Kedren Community Health at no cost.
4. INSTRUCT the GSD to complete the transactions outlined in the ordinance, and process the necessary documentation to execute the sale, as directed by the LAAC and as approved to form by the City Attorney.
5. AUTHORIZE the Bureau of Engineering (BOE) Bureau of Engineering (BOE) to receive \$5,932 from Kedren Community Health and deposit said funds into a new account within the Engineering Special Services Fund No. 682/50, entitled "Surplus Property - Kedren Community Health, Inc., to cover BOE staff costs for special engineering services required for this sale of City-owned property.

Fiscal Impact Statement: The MFC reports that there is no additional impact to the General Fund. Kedren Community Health will pay for costs associated with the sale of the property including escrow costs, new legal description fees, and costs associated with the filing of a notice of exemption under the California Environmental Quality Act. The City Administrative Officer conducted a Community Benefits Analysis and determined that

the value of mental health services provided to the community, estimated at \$71.3 million annually, exceeds the market value of \$8.7 million for the property.

Community Impact Statement: None submitted.

Summary:

On October 22, 2024, your Committee considered an October 16, 2024 MFC report relative to the sale of property located at 710 East 111th Place (APN 6071-022-902), pursuant to Government Code Section 54221(f)(I)(D), to Kedren Community Health. According to the MFC, since 1965, Kedren Community Health, a 501(c)3 non-profit organization, has been a provider of behavioral health services to children, youth, adults and families in the South Los Angeles area. Additionally, Kedren operates a primary health care clinic to residents in underserved communities. Kedren acquired land to construct the Kedren Community Mental Health Center at 710 East 111th Place in Los Angeles (Property).

On September 28, 1973, Kedren conveyed this unimproved Property to the City at no cost, to comply with eligibility requirements for a mental health services grant. The City entered into a ground lease with Kedren at \$1.00 per year for 50 years, which is set to expire on October 9, 2027, and ownership of all improvements will revert to the City. Kedren plans to demolish the existing structure and expand their services by constructing a Children's Village on the Property to provide mental health services to children in Los Angeles.

Recently, Kedren was awarded approximately \$148 million in grants from the State of California for the construction of the mental health facility. The grant terms, however, require Kedren to own the Property. On September 26, 2023, Council adopted the recommendations of the Government Operations Committee instructing the City Administrative Officer (CAO), GSD, with the assistance of the City Attorney, Chief Legislative Analyst, and the Community Investment for Families to report on the feasibility of the direct sale or transfer of the Property back to Kedren in light of the services provided and significant community benefit (Council File No. 15-1439-S2).

In October 2024, the CAO conducted a Community Benefits Analysis and determined that the value of services provided to the community, estimated at \$71.3 million annually, exceeds the market value of \$8.7 million for the Property. In July 2024, the BOE conducted a review of the proposed sale and had no objection, subject to a half right-of-way; roadway widening; and that no structure be constructed over the active sewer line without approval. The BOE also reviewed the State's Seismic Hazard Maps and City records for information and reports that, although the site is within a Liquefaction Zone, there are no definitive indicators if the Property will be affected by a natural disaster. The BOE further determined that the sale of the property is exempt under California Environmental Quality Act, under Welfare and Institutions Code Section 5960.3 granted to a facility project funded in part by the California Behavioral Health Continuum Infrastructure Program.

In a letter dated August 19, 2024, the City Planning Department reported that the proposed sale and intended use is consistent with the City's Limited Industrial General Plan in accordance with Charter Section 556 and 558, in that the sale of the Property is in substantial conformance with the objectives of the Southeast Los Angeles Community Plan. In a letter dated September 12, 2024, the State of California Department of Housing and Community Development affirmed Council's determination that the Property qualifies as exempt surplus land under Government Code Section 54221(f)(1)(D) because the Property will be transferred to another local, state or federal agency, or to a third-party intermediary for future dedication for the receiving agency's use. Kedren will serve as the third-party intermediary, and under a separate agreement the Property will serve Los Angeles County Department of Mental Health clients at the time of transfer.

Pursuant to LAAC Section 7.22 (d), the CAO reviewed the proposed direct sale and recommends approval of the sale and the attached ordinances prepared by the GSD, which state the terms and conditions, legal description and recommendations for reservations and/or easements that should be retained by the City, subject to approval by the City Attorney as to form and legality. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the MFC report and detailed in the above recommendations, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

**COUNCILMEMBER VOTE**

PADILLA:	YES
HERNANDEZ:	YES
HUTT:	ABSENT

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10/22/24  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**