

TRANSMITTAL

To: **THE COUNCIL**

Date: **05/11/21**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garcetti', written over a white background.

(Ana Guerrero) for

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Ann Sewill, General Manager

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April 29, 2021

Council File: 20-0810, 16-0600-S145
Council District: 11
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF RECOMMENDATIONS RELATIVE TO DISPOSITION OF THE CITY-OWNED PROPERTY LOCATED AT 3233 S. THATCHER AVENUE, FOR THE DEVELOPMENT OF AFFORDABLE AND SUPPORTIVE HOUSING

SUMMARY

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval, and requests authority to take recommended actions related to the disposition and development of property owned by the City of Los Angeles, with the purpose of maximizing the use of public land for the development of supportive housing.

HCIDLA received approval from the City Council and the Mayor to negotiate and execute a Disposition and Development Agreement (DDA) with Thomas Safran & Associates. Development, Inc (TSA) , to build 97 units of affordable housing on the City-owned property located at 3233 S. Thatcher Avenue (C.F. No. 20-0810). To assist HCIDLA in developing this project, approval of additional actions are recommended.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward it to City Council for action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. INSTRUCT the City Attorney to prepare all necessary documents, including but not limited to an Implementation Agreement to the DDA, for the development of affordable and supportive housing on the City-owned property located at 3233 S. Thatcher Avenue, (APN 4229-002-9001) to reflect the Revised Project Terms; and,

- B. AUTHORIZE the General Manager of HCIDLA, or designee, to negotiate and execute all ancillary documents required for the development of affordable and supportive housing at 3233 S. Thatcher Avenue (APN 4229-002-9001), per the terms of the ground lease.

BACKGROUND

In response to the City’s affordable housing crisis, and to meet the objective of creating new affordable housing, HCIDLA created a Public Land Development Program with the goal of developing publicly-owned land into affordable housing. This program oversees the disposition of properties transferred to HCIDLA from the former Community Redevelopment Agency of Los Angeles and the Los Angeles Department of Transportation (LADOT), as well as surplus land identified by the Office of the City Administrative Officer (CAO) as part of the Affordable Housing Opportunity Sites (AHOS) program. The properties are leveraged for the creation of affordable and supportive housing across the City.

Proposed Supportive Housing Development -

Original Project Terms

On September 15, 2016, the CAO released an RFQ/P for the disposition of City-owned properties for the development of supportive housing and other types of affordable housing on City-owned parcels. Among the City-owned parcels offered was 3233 S. Thatcher Avenue. Through a competitive process, HCIDLA selected Thomas Safran & Associates Development, Inc. (TSA) and received approval from the City Council and the Mayor to negotiate and execute an Exclusive Negotiation Agreement (ENA) to build affordable housing (C.F. No. 16-0600-S145).

On July 1, 2020, the City Council authorized HCIDLA to negotiate and execute a DDA based on negotiated Key Terms and Conditions (C. F. No. 20-0810). A DDA was executed on September 15, 2020 (City Contract No. C-136829). The original project terms included a total of 97 affordable housing units comprised of 76 one-bedroom units, 13 two-bedroom units, and nine three-bedroom units.

Revised Project Terms

In an attempt to reduce total development costs, keep the overall height low for the neighborhood, and deliver more efficient units for residents in the property, TSA changed the unit mix of the project by reducing the amount of one-bedroom units and adding studio units to the project. HCIDLA is seeking authority to amend the DDA via an Implementation Agreement. The primary changes to the DDA involves the revised unit mix, as shown in Table 1, below:

TABLE 1: REVISED UNIT MIX	
	<u>Revised Unit Mix</u>
Studios	51
One-Bedrooms	26
Two-Bedrooms	12
Three-Bedrooms	9
TOTAL	98

Land Disposition

In accordance with the Housing Development Land Conveyance Policy approved by the City Council on November 8, 2017 (C.F. No. 17-0862), and per the agreed-upon terms and conditions, HCIDLA plans to

ground lease the parcels, 3233 S. Thatcher Avenue, to TSA or the related to-be-formed limited partnership. It is HCIDLA's general policy, that, where feasible, HCIDLA will execute long-term ground leases for the development of affordable housing projects on publicly-owned land.

FISCAL IMPACT

There is no fiscal impact to the General Fund.

Approved By:



ANN SEWILL
General Manager
Housing+Community Investment Department