

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 12, 2024

CAO File No. 0220-06137-0000
Council File No. 12-1549-S3
12-1549-S8, 12-1549-S9,
12-1549-S11, 12-1549-S24
Council District: All and CD11, 14, 15

To: The City Council

From: *for*  Matthew W. Szabo, City Administrative Officer

Reference: Asset Evaluation Framework

Subject: **REVISED ASSET EVALUATION FRAMEWORK AND RELATED ACTIONS
FOR SITES DEEMED INFEASIBLE FOR AFFORDABLE HOUSING**

RECOMMENDATION

That the City Council, subject to approval by the Mayor:

1. APPROVE the Revised Asset Evaluation Framework (AEF) used to analyze City-owned, and other publicly- and privately- owned property for permanent and interim housing, homeless facilities, economic development, and other uses, and the replacement of the Property Review and Evaluation Process (PREP) with the AEF Flow Chart (Attachment);
2. RESCIND the transfer of the City-owned sites located at Kipling Triangle (APN 5690-022-900), 1304 E. Pleasant Avenue (APN 5174-015-900), and 922-928 N. Marine Avenue (APN 7423-004-900), from the General Services Department to the Los Angeles Housing Department, as these sites are infeasible for affordable housing development;
3. DETERMINE that the property at 6621 Manchester Avenue and 6614 W. 85th Place, (APN 4112-029-9000) is infeasible for affordable housing due to zoning; and,
4. DIRECT the Department of General Services to update the City's Asset Management System, as it relates to Recommendation 2 and 3.

SUMMARY

The Asset Evaluation Framework (AEF) is the process the City uses to identify and assess properties that may be suitable for interim and permanent housing, economic development, or other uses. The AEF was first approved by the Mayor and Council in 2016. This report proposes updating

the processes for property assessments (Attachment). This report also recommends rescinding the transfer of three sites from the General Services Department (GSD) to the Los Angeles Housing Department (LAHD), as further investigation confirmed these sites are infeasible for housing development, and to deem one property as infeasible for housing due to zoning constraints.

BACKGROUND

On May 3, 2016, the Mayor and City Council approved the Asset Evaluation Framework (AEF) ([C.F. 12-1549-S3](#)), to identify and assess City-owned property that may be suitable for housing, economic or municipal redevelopment. In July 2016, the Mayor and Council expanded the AEF to include a Property Review and Evaluation Process (PREP) for sites considered for permanent affordable and supportive housing. The City Administrative Officer (CAO) has revised the AEF and PREPs informally since 2016 based on lessons learned from the property review process. The review process for interim and permanent housing has also expanded to include other publicly- and privately-owned sites. These changes are reflected in the AEF Flow Chart attached to this report.

Since 2016, the CAO, in partnership with City departments, has assessed more than 822 publicly-owned sites and 225 privately-owned. Many of these sites are currently being used for interim housing, homeless facilities, and the LAHD is working with developers on the redevelopment of almost 40 sites.

DISCUSSION

The AEF process for evaluating sites will continue to begin with a formal request via a Council motion. For the evaluation process, all the information available on the property is gathered from the pertinent City departments. This includes a legal description, planning/zoning analysis, environmental information, title report, current use, etc. The due diligence reports and site information are assessed to determine allowable uses and restrictions. If the site is deemed feasible for the proposed use, a report recommending the potential future use of the property is submitted to the oversight commission with site control, if applicable, and to the Council and Mayor for consideration.

Surplus Land Act

Another change that impacts the City's review of City-owned sites is the Surplus Land Act (SLA), amended by Assembly Bill 1486 in 2020, which prioritizes permanent affordable housing development on land the City wishes to dispose of for development. In 2024, the California Department of Housing and Community Development (HCD) published revised guidelines to the SLA. This change has limited how the City can use its land for purposes other than qualifying affordable housing projects. Outside of a few exemptions, the City must publish a written notice of availability offering its land for affordable housing where at least 80 percent of units are covenanted for low-income households. Only after this process, may the parcel be transferred for other purposes, such as economic development. Larger sites, such as those that can be developed into more than 300 housing units, have a lower affordable housing requirement and

can be used for mixed-use and mixed-income developments. The SLA review has been incorporated into the AEF process.

Revised AEF Assessment Process/Flow Chart

The AEF process is outlined in the revised AEF Flow Chart (Attachment). The changes to the flow chart include:

- The City's review of sites for housing related purposes is not limited to City-owned property;
- Adds the assessment of properties for Mixed-Use and Joint Use projects;
- Adds the review/approval of the appropriate departmental oversight committee;
- Incorporates the lead department with the support of the appropriate City departments;
- Adds the SLA review;
- Removes Municipal Use as a type of property use, as this use is led by GSD; and,
- Removes the CRA/LA Future 10 properties as the sites have disposition plans.

Type of Use A: Permanent Affordable and Supportive Housing

Under Type of Use A, Permanent Affordable and Supportive Housing, the modifications ensure proposed sites may be quickly released and developed in a manner that complies with the SLA. Also, it accounts for changes to other departments' procedures and cements LAHD's review and expert guidance as central to the process. When assessing sites that are in operation as Los Angeles Department of Transportation (LADOT) public parking lots, the CAO uses the *Questionnaire for Replacement Parking for LADOT*, which provides guidance of the total use and revenue of the lot. Additionally, parking facilities containing 25 spaces or more need to also consider the local community's parking needs, as directed by C.F.23-0360. The CAO has also added the review and approval from the Board of Transportation Commission (BOTC), as provided by Administrative Code Section 22.484(g)(A)(7), for LADOT parking lots before the site is considered by Council and Mayor.

Type of Use B: Interim Housing and Homeless Facilities

The CAO reviews sites that may be feasible for Interim Housing and Homeless Facilities under Type of Use B. The CAO may review City-owned and other publicly- or privately-owned sites to lease, master lease or acquire. The CAO works closely with the Bureau Engineering (BOE), and the appropriate City Departments to assess sites and determine costs for the intended use. Similar to Type Use A, the Interim Housing and Homeless Facilities review has evolved over the years, as city staff learn from each project and improve the processes accordingly.

Type of Use C: Economic Development

For the assessment of sites for economic development, the Economic and Workforce Development Department (EWDD), is the lead and has produced steps for site review, which are

now incorporated into the revised AEF Flow Chart. The SLA is critical in this process, given that the SLA favors affordable housing and not economic development. EWDD's process is similar to Uses A and B, though it features less coordination with other departments since EWDD assesses City-controlled sites for disposition.

Type of Use D: Mixed Use

The new property use assessment, Mixed Use, is now included in the AEF Flow Chart. Mixed Use are properties assessed for both housing and commercial uses. Future proposed projects may be composed of components, with each project component led by a different City department (e.g., LAHD, EWDD, etc.). The site assessment would designate the potential components and the parameters for the feasibility analysis. For example, an affordable housing and commercial retail project may require LAHD and EWDD administration. The Council and Mayor would designate the lead City department for the project.

Type of Use E: Joint Use

Joint Use sites are considered for municipal and joint use with another government entity, a private organization, a community use, or any combination thereof. If there are multiple uses, the management of the proposed project will be organized into uses that are considered components. Like Type Use D Mixed Use, the Council and Mayor would designate the lead department for the project.

INFEASIBLE SITES INITIALLY TRANSFERRED TO LAHD

The Mayor and Council had instructed LAHD to issue a Request for Proposals (RFP) for housing development on three City-owned properties. LAHD has made a good faith effort to carry out these instructions, but in each case, it was determined that affordable housing development is not feasible at these sites. Based on the experiences with these and other sites, the CAO has updated its site process, as described above, to ensure that LAHD reviews the site assessment before final feasibility is determined.

The following transfer actions are recommended to be rescinded:

Address	CD	Parcel Number	Council File	Reason
Kipling Triangle	14	5690-022-900	12-1549-S9	Too small to develop
1304 E. Pleasant Avenue	14	5174-015-900	12-1549-S8	Dedicated park land
922-928 N. Marine Avenue	15	7423-004-900	12-1549-S11	High Use; important to the local businesses

Kipling Triangle

This small triangular parcel in Eagle Rock measures 1,175 square feet, and is bordered to the south by a street that was never developed and remains a grassy strip of land. The initial assessment of the site assumed that this street would be vacated, and the entire 4,230 square foot vacated street could be combined with the triangle parcel, resulting in a site of over 5,000 square feet. Council approved the CAO's recommendation to transfer the site to LAHD for a future RFP. A question during that subsequent RFP prompted additional research into the anticipated street vacation, and it was discovered that only half of the vacated street would remain City property; the southern half of the street would become the property of the adjacent landowner to the south. The remaining site would be too small to develop, and the RFP for this site was canceled. In addition, the City would need to identify funds to remove a storm drain underneath the property before it could be developed.

1304 E. Pleasant Ave

This site is a 1,871 square foot traffic island adjacent to Pleasant Avenue and Progress Place. Council approved a recommendation to instruct LAHD to enter into an Exclusive Negotiation Agreement (ENA) with Jovenes, Inc. for the site. Jovenes owns a facility across Progress Place from the site, and planned to vacate Progress Place and use the Pleasant site's additional square footage to expand their existing campus, which includes their headquarters, shelter and transitional housing. However, after LAHD executed an ENA with Jovenes, it was discovered that the traffic island is dedicated park land, controlled by the Department of Recreation and Parks (RAP). Attempts to find a similar, nearby parcel to swap it with the park land were unsuccessful.

922-928 N. Marine Ave

This site is a 15,302 square foot surface parking lot operated by the Los Angeles Department of Transportation (DOT). The site was included in a 2020 RFP issued by LAHD, but no disposition proposal was selected. The site is in a Council District 15 commercial area and it has been determined that the community is best served by maintaining the site as a public parking facility.

FINDING OF NON-FEASIBILITY – AFFORDABLE HOUSING OPPORTUNITY SITE (AHOS)

6621 Manchester Avenue and 6614 W. 85th Place

The CAO initiated a review of this site to determine its suitability for affordable housing development. Based on this assessment, the site has been deemed infeasible due to zoning.

Address	CD	Parcel Number	Council File	Reason
6621 Manchester Avenue 6614 W. 85th Place	11	4112-029-9000	12-1549-S24	Zoning

The site is the former Fire Station 5 and comprises three lots totaling approximately 19,508 square feet. It has been vacant since 2005. The fire station is approximately 8,700 square feet and was built in 1950. The Department of City Planning's Due Diligence Request found that the

site is zoned R1V2 and allows a base density of one (1) dwelling unit on all three lots. The CAO concluded that due to the R1V2 Zone designation, it is infeasible to build permanent affordable or supportive housing on this site. In the future, the site may benefit from updates to the Westchester-Playa Del Rey Community Plan and the adoption of the Housing Element Rezoning Program. The CAO does not recommend that the City proceed with further evaluation of the site due to the existing zoning constraints.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendations in this report.

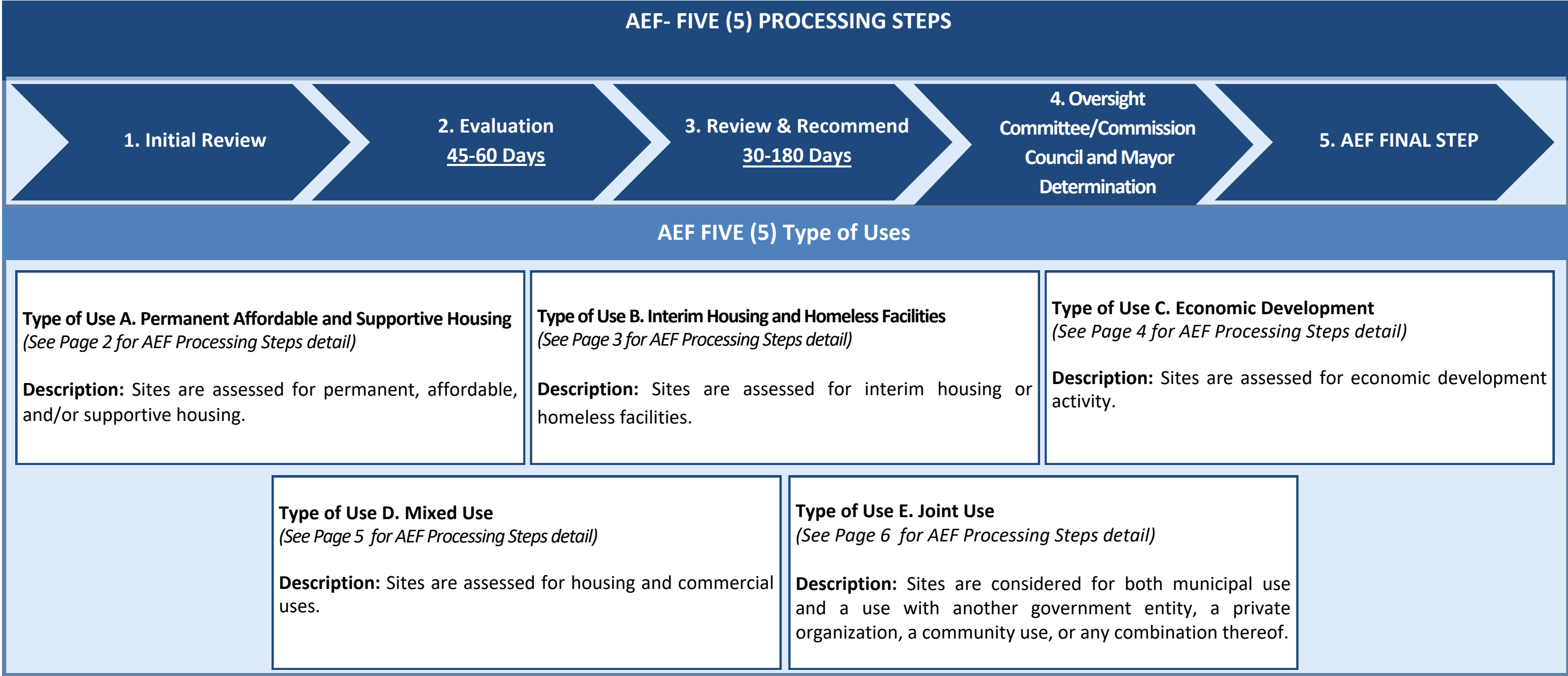
FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

MWS:YC:AP:ms:15240003

Attachment: Revised Asset Evaluation Framework (AEF) Flow Chart

PROPOSED REVISED
ASSET EVALUATION FRAMEWORK (AEF) FLOW CHART
City Administrative Officer (CAO)



REFERENCE: LIST OF ACRONYMS	
<ul style="list-style-type: none">• BOE –Public Works Bureau of Engineering• CLA – Chief Legislative Analyst• DCP – Department of City Planning• LADOT – Los Angeles Department of Transportation• EWDD – Economic and Workforce Development Department• CAO G15 – City Administrative Officer (CAO) Asset Management and Development Group• CAO G16 – City Administrative Officer (CAO) Homelessness Group	<ul style="list-style-type: none">• GSD – General Services Department• LAHSA – Los Angeles Homeless Services Authority• LAHD – Los Angeles Housing Department• RFP – Request for Proposals• RFQ – Request for Qualifications• SLA – Surplus Land Act• TOC- Transit Oriented Communities Incentive Program

REFERENCE: OVERSIGHT COMMITTEES
<ul style="list-style-type: none">• Municipal Facilities Committee (MFC) – Los Angeles Administrative Code (LAAC) Div. 7, Ch. 1, Art. 4, Sec. 7.22 (LINK)• Board of Transportation Commissioners (BOTC) – Los Angeles Administrative Code (LAAC) Div. 22, Ch. 20, Art. 5, Sec. 22.484 (LINK)• Board of Recreation and Parks Commissioners – Los Angeles City Charter (LACC) Vol. 1, Art. 5, Sec. 591 (LINK)• Board of Library Commissioners – Los Angeles City Charter (LACC) Vol. 1, Art. 5, Sec. 534 (LINK)

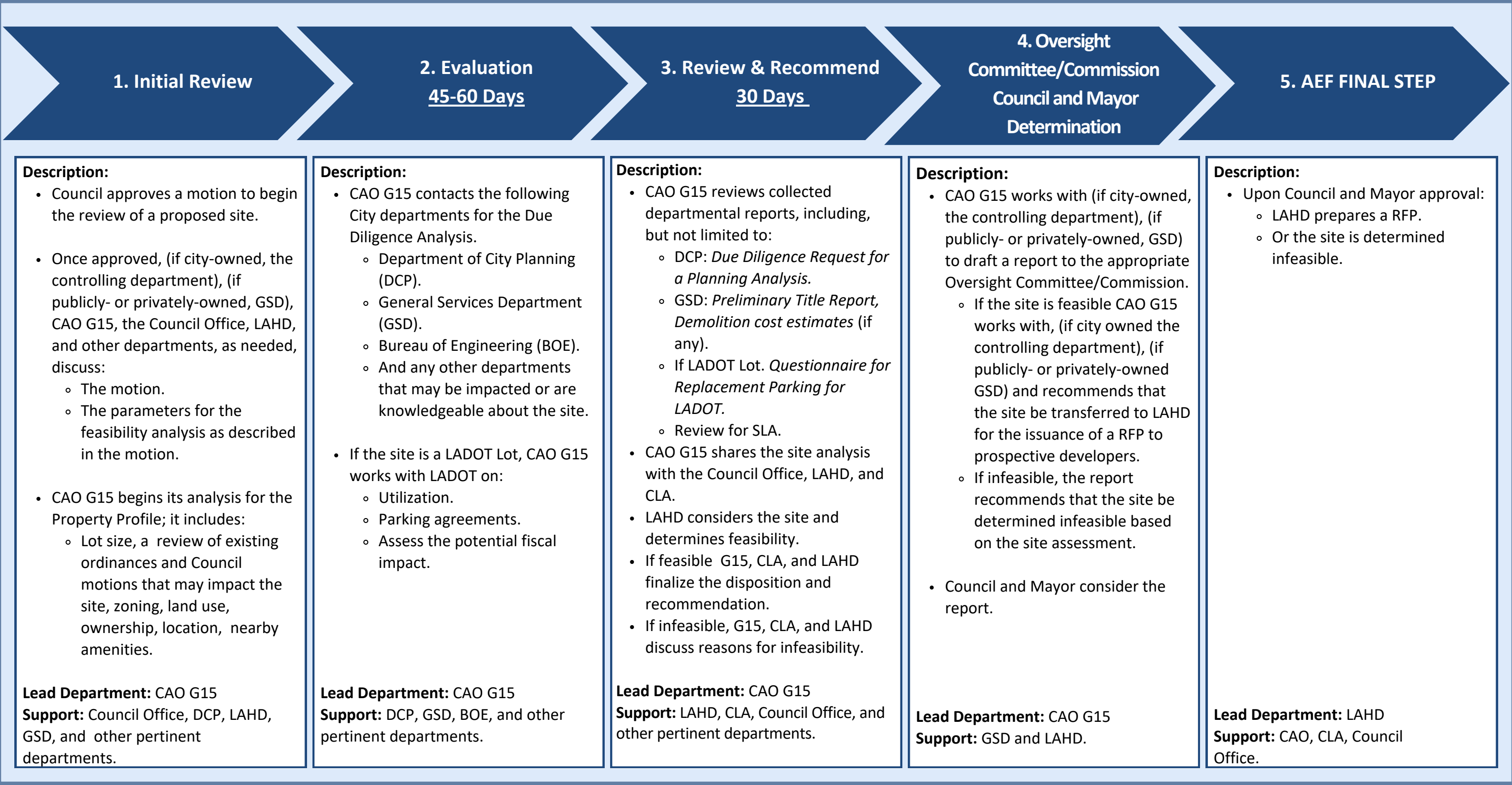
PROPOSED REVISED

ASSET EVALUATION FRAMEWORK (AEF) FLOW CHART

City Administrative Officer (CAO)

Type of Use A. Permanent Affordable and Supportive Housing

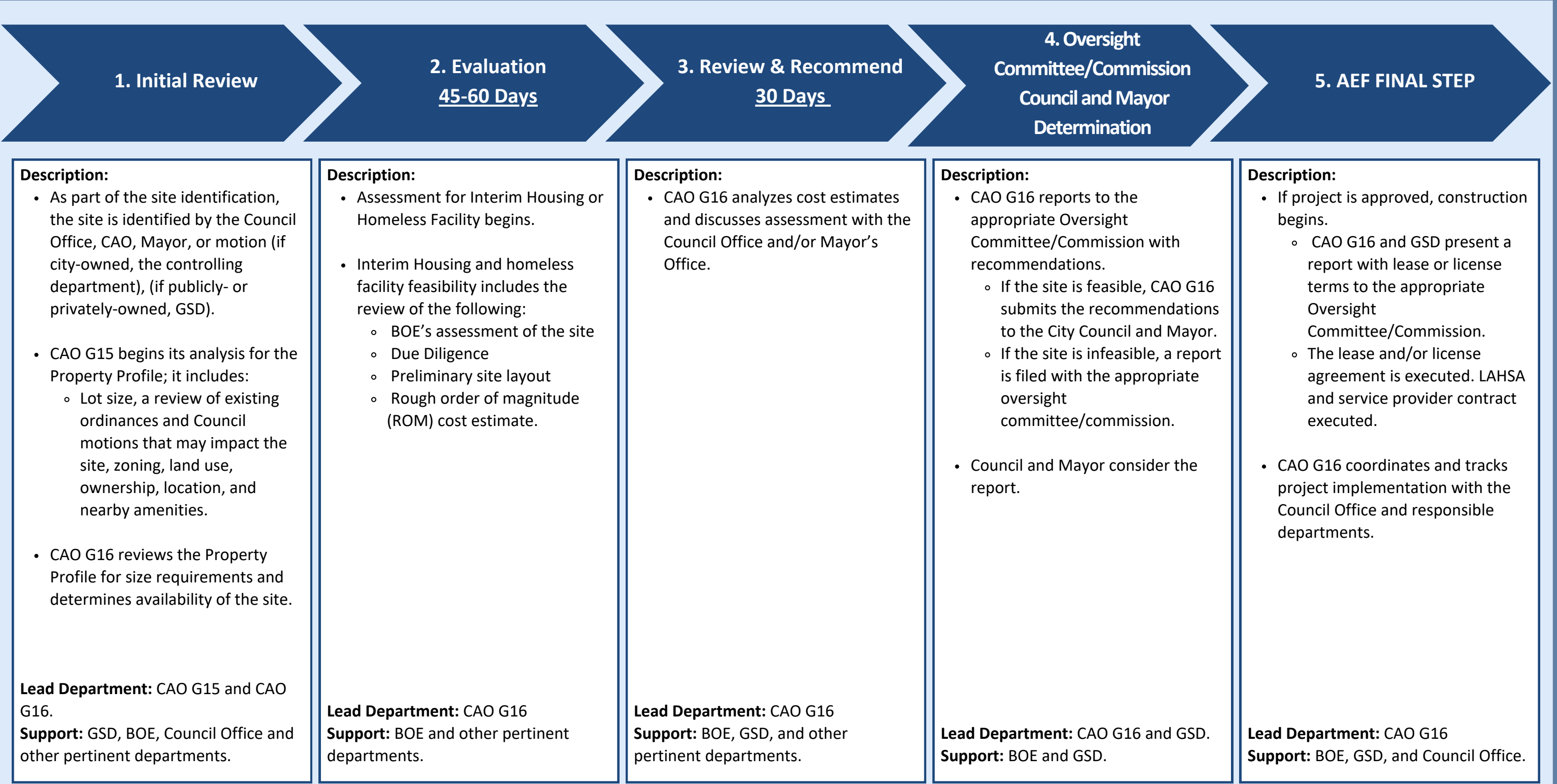
AEF FIVE (5) PROCESSING STEPS



PROPOSED REVISED
ASSET EVALUATION FRAMEWORK (AEF) FLOW CHART
City Administrative Officer (CAO)

Type of Use B. Interim Housing and Homeless Facilities

AEF FIVE (5) PROCESSING STEPS



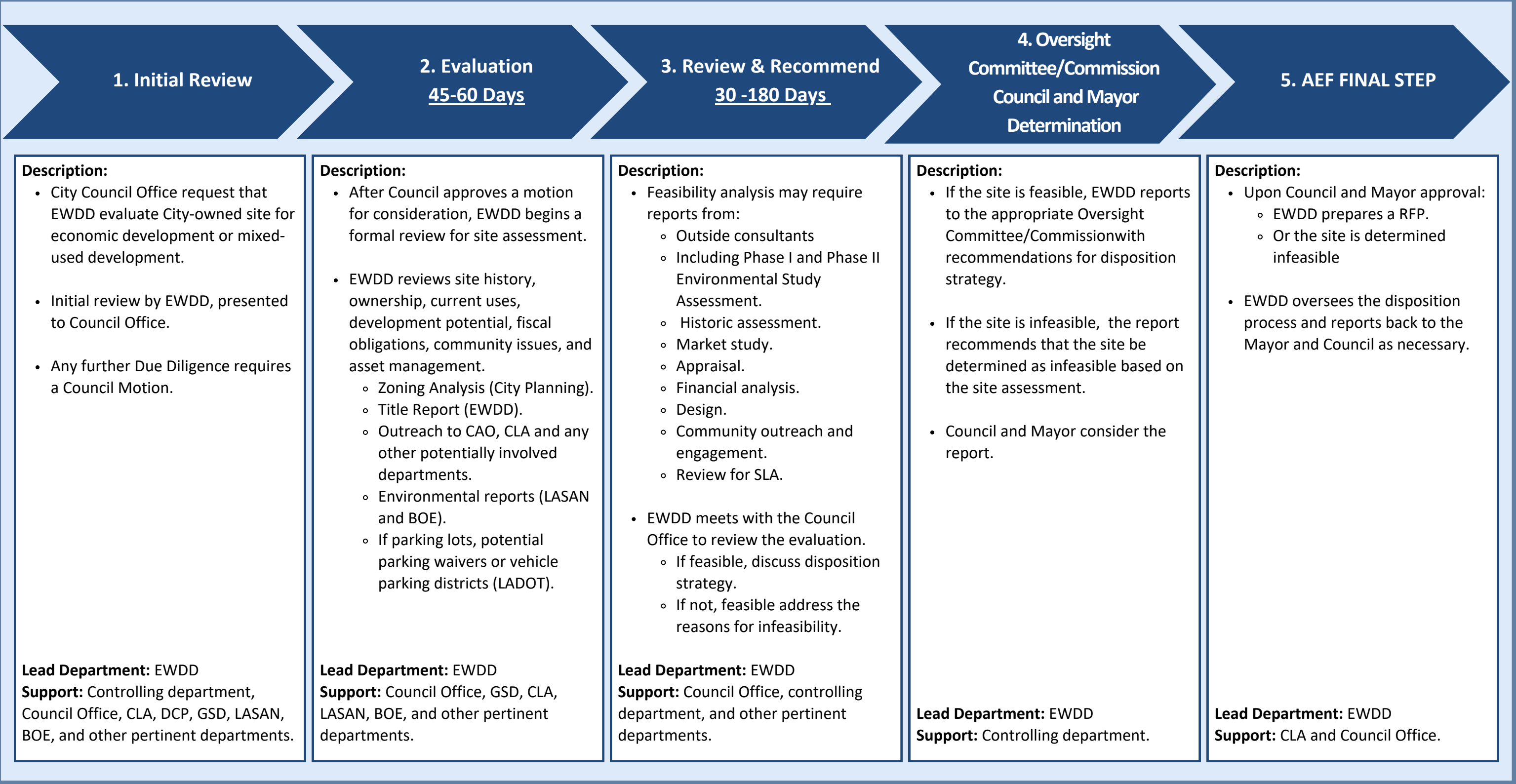
PROPOSED REVISED

ASSET EVALUATION FRAMEWORK (AEF) FLOW CHART

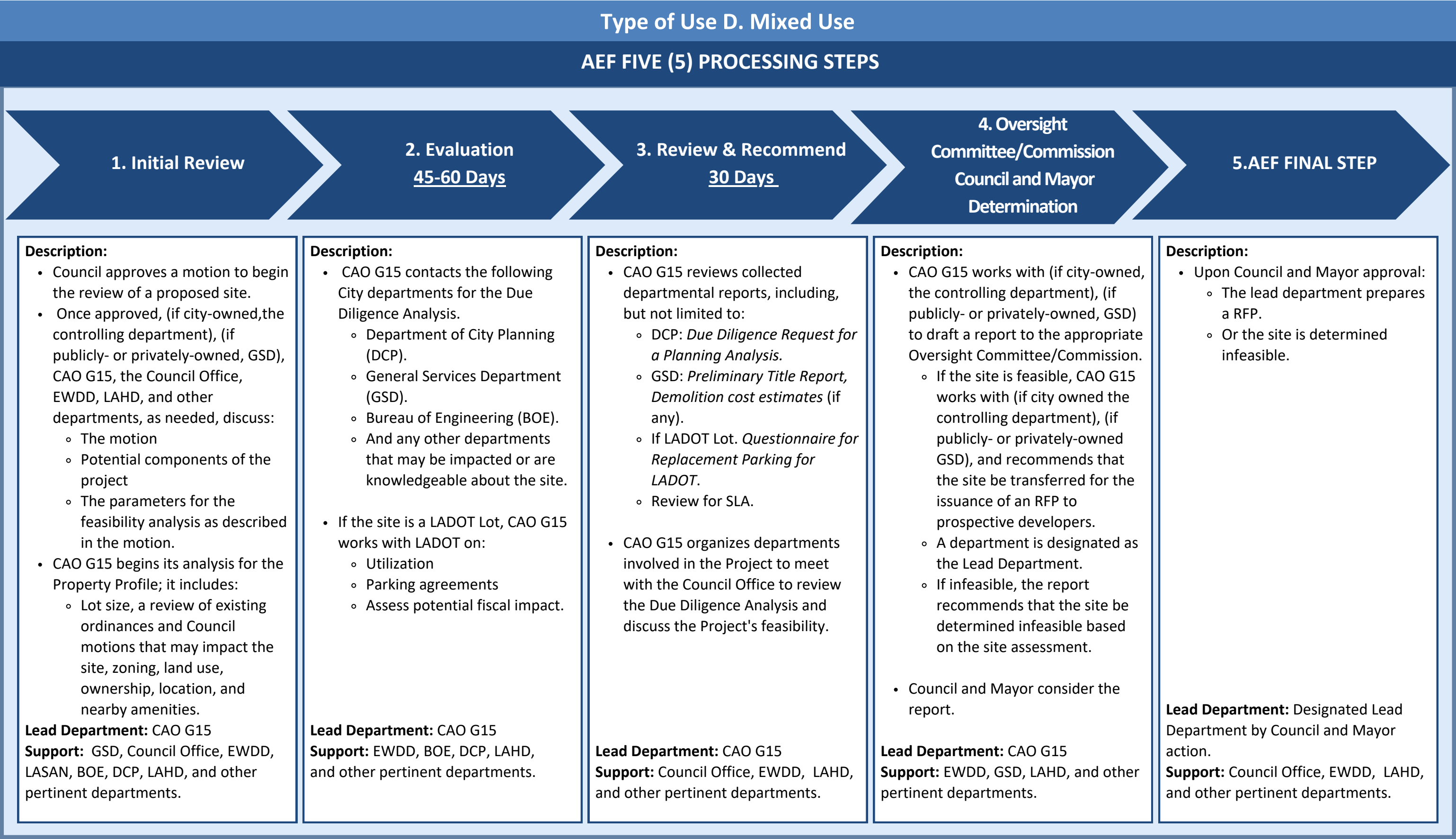
City Administrative Officer (CAO)

Type of Use C. Economic Development

AEF FIVE (5) PROCESSING STEPS



PROPOSED REVISED
ASSET EVALUATION FRAMEWORK (AEF) FLOW CHART
City Administrative Officer (CAO)



PROPOSED REVISED

ASSET EVALUATION FRAMEWORK (AEF) FLOW CHART

City Administrative Officer (CAO)

