

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER


Date: August 1, 2024

CAO File No. 0220-00540-1701

Council File No. 16-0600-S145

Council District: 1

To: The Mayor
The Council

From:  Matthew W. Szabo, City Administrative Officer

Reference: Los Angeles Housing Department transmittal dated July 22, 2024; Received by the City Administrative Officer on July 23, 2024; Additional information received through July 30, 2024

Subject: **REQUEST FOR AUTHORITY TO EXTEND THE TERM OF AN EXCLUSIVE NEGOTIATION AGREEMENT WITH WOMEN ORGANIZING RESOURCES KNOWLEDGE AND SERVICES (WORKS) AND GTM HOLDINGS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON MULTIPLE CITY-OWNED PROPERTIES**

RECOMMENDATIONS

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

1. Note and file the Los Angeles Housing Department (LAHD) transmittal, dated July 22, 2024, relative to extending the term of Exclusive Negotiation Agreement (ENA) for multiple City-owned properties in Council District 1;
2. Authorize the General Manager of the LAHD, or designee, to reinstate and extend the term of the ENA (C-130926) for an additional two-year term, and prepare and execute any documents necessary to facilitate or implement such extension, subject to review and approval as to form by the City Attorney for the four properties located at 2332-2336 N. Workman Street (APN 5204-016- 901); 151-164 S. Avenue 24 Street (APN 5204-004-901); 2331-2337 N. Workman Street, (APN 5204-011-903); and 2416-2422 N. Workman Street (APN 5204- 015-901);
3. Determine that the action to extend the term of the ENA qualifies for a categorical exemption as set forth in Section 15306 of the California Environmental Quality Act Guidelines.

SUMMARY

In its transmittal dated July 22, 2024, the Los Angeles Housing Department (LAHD) requests to extend the term of an Exclusive Negotiation Agreement (ENA) with GTM Holdings and Women Organizing Resources, Knowledge and Services (together, the Developers) for five properties in Council District 1 to facilitate the development of affordable housing. The ENA (C-130926) will expire on August 4, 2024 and the LAHD requests to extend the term for one year, to allow the Developers and the LAHD to negotiate a Development and Disposition Agreement (DDA) for each of the properties. The LAHD also requests Council to make a determination that this action qualifies for a categorical exemption from the California Environmental Quality Act (CEQA).

On December 13, 2017, the Council authorized the LAHD to negotiate and execute the ENA with the Developers. The Developers were selected through a Request for Qualifications/Proposals (RFQ/P) conducted by the Office of the City Administrative Officer (CAO) for the disposition and development of City-owned property into affordable housing (C.F. No. 16-0600-S145). The purpose of the ENA is to allow the Developers time to perform due diligence and agree to the terms for the disposition of the sites for affordable housing development.

The LAHD entered into the ENA with the Developers on March 7, 2018. The original ENA expired on August 4, 2023. On December 12, 2023, the Council authorized the LAHD to reinstate the ENA with a new expiration of August 4, 2024. Since then, the City has executed a DDA for one parcel located at 216-224 South Avenue 24.

Based on the above, the CAO recommends to extend the ENA for only four of the five sites. No extension is necessary for the parcel with an executed DDA. The CAO also recommends a two-year extension, with an expiration date of August 4, 2026, to allow sufficient time to conduct community outreach, entitle the projects, and negotiate term sheets and DDAs for the four remaining properties. The LAHD confirms that one year would not be sufficient to accomplish these goals.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund associated with the recommendations stated in this report.

FINANCIAL POLICIES STATEMENT

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