

0220-05755-0000

TRANSMITTAL

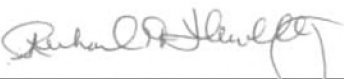
TO City Council	DATE 08-03-2020	COUNCIL FILE NO. 05-0686-S1
FROM Municipal Facilities Committee	COUNCIL DISTRICT 14	

At its meeting of July 30, 2020 meeting, the Municipal Facilities Committee approved the recommendations in the attached City Administrative Officer (CAO) report and instructed staff to transmit to Council for consideration.

Council approval of the report recommendations would instruct the Housing and Community Investment Department to negotiate and execute a ground lease with Go For Broke National Education Center and Little Tokyo Service Center (LTSC), which will supersede the existing Supplemental Ground Lease Agreement, for approximately 37,270 square feet of property located on a portion of City-owned land, west and adjacent to the physical location of the Go For Broke Monument, commonly referred to as Lot 2, for an affordable and permanent supportive housing project with the educational and interpretive center on the ground floor, for a term of up to 99 years at \$1 per year.

Fiscal Impact

Approval of the recommendations in this report will have no immediate impact on the General Fund. LTSC intends to apply for affordable housing financing from HCID. If affordable housing is built on site, there may be an impact on the Affordable Housing Trust Fund or Proposition HHH, depending on how the housing is financed. A full estimate of these costs and impact will be known once LTSC applies for this funding, and submitted to the Council at the time of approval.



Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 27, 2020

CAO File No. 0220-05755-0000
Council File No. 05-0686-S1
Council District: 14

To: Municipal Facilities Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Subject: **Proposed Affordable and Permanent Supportive Housing Development on City-Owned Property at the Go For Broke Monument Site**

RECOMMENDATIONS

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

1. Instruct the Housing and Community Investment Department (HCID) General Manager, or designee, to negotiate and execute a ground lease with Go For Broke National Education Center and Little Tokyo Service Center, or an assignee of the parties' right to enter into the ground lease, which assignee shall only be an affiliated limited partnership, which Little Tokyo Service Center shall be the managing general partner and Go For Broke National Education Center shall be the general partner, which will supersede the existing Supplemental Ground Lease Agreement, for approximately 37,270 square feet of property located on a portion of City-owned land, west and adjacent to the physical location of the Go For Broke Monument, commonly referred to as Lot 2, bound by Temple Street to the north, Alameda Street to the east, Jackson Street to the south (a legal "paper street" that is not physically used as a street), and Judge John Aiso Street to the west on a portion of APN 5161-012-901 (Attachments 1 and 2), for an affordable and permanent supportive housing project with the educational and interpretive center on the ground floor, for a term of up to 99 years at \$1 per year;
2. Instruct the Department of General Services (GSD) General Manager or designee to negotiate and execute a new lease for the Go For Broke Monument, with the Go For Broke National Education Center, for a term of up to 99 years at \$1 per year;
3. Instruct the Bureau of Engineering to process a street vacation application for Jackson Street and Central Avenue;
4. Instruct the Bureau of Engineering, Survey Division to determine and provide the final footprint for the project site; and
5. Authorize the City Administrative Officer to make technical corrections as necessary.

SUMMARY

The Go For Broke National Education Center (GFBNEC) and the Little Tokyo Service Center (LTSC) have partnered to propose a mixed-use, multi-family, transit-oriented infill development that would include the construction of affordable and permanent supportive housing, as well as an educational and interpretive center. (Go For Broke Apartments). GFBNEC and LTSC intend to form a single limited partnership to develop, own and operate the Go For Broke Apartments, which LTSC shall be the managing general partner and GFBNEC shall be the general partner.

The proposed “Go For Broke Apartments” project site is located adjacent to the site of the existing Go For Broke Monument on Lot 2, on the south side of Temple Street between Judge John Aiso Street and Alameda Street in the downtown Los Angeles Civic Center, and situated between the communities of Civic Center and Little Tokyo, and adjacent to Chinatown and the El Pueblo de Los Angeles Historical Monument (Los Angeles Plaza Historic District).

The proposed development encompasses a triangular-shaped (approximately 37,270 square feet and .858-acre) site, on a portion of City-owned land currently operating as an employee parking lot under the jurisdiction of GSD. The housing component of the development is proposed to be 100% affordable, with half of all units set aside as permanent supportive housing for homeless households, including homeless veterans. The ground floor will be home to an on-site supportive service provider and include space for the GFBNEC, whose mission is to raise awareness about World War II American veterans of Japanese ancestry.

The portion of land on which the development is proposed is currently leased by GFBNEC through 2056. The Supplemental Ground Lease Agreement between the City and GFBNEC will be superseded upon the new ground lease between HCID, GFBNEC, and LTSC, or an assignee of the parties' right to enter into the ground lease, which assignee shall only be an affiliated limited partnership, for the Go For Broke Apartments.

Further, the Go For Broke Monument, of approximately 8,000 to 8,500 square feet (including landscaping), was constructed east of the current lease site area, more particularly on Jackson Street and Central Avenue. Since the location of the physical Go For Broke Monument has been constructed in the public right of way, the City should process a street vacation application to allow both streets to be owned in fee by the City. Thereafter, an agreement can be made with GFBNEC in the form of a lease for this 8,000 to 8,500 square foot area. This report recommends that GSD be instructed to negotiate with GFBNEC to establish a separate lease for the continued maintenance of the monument with the appropriate indemnifications, as the current physical location of the Monument is not part of this report.

The proposed development, while not required, adheres to Senate Bill 1486 by its proposed development of all permanent and supportive housing, is generally consistent with the 2020 Governor's housing directives, complies with City of Los Angeles' Mayoral and Council Initiatives on creating new housing. It also aligns with the City's Comprehensive Homeless Strategy, adopted in February 2016 in response to the homelessness and affordable housing crisis. It should be noted that approval of the recommendations in this report and completion of the project will result in the loss of 374 parking spaces. The eventual exercise of the lease option and loss of the parking spaces have been anticipated and planned for in the Civic Center Master Plan (CF 14-1604).

PROJECT OVERVIEW

“Go For Broke Apartments” (Attachment 3) is proposed to be jointly developed by LTSC and GFBNEC, as the community partner. The ground floor will feature commercial and community space, including approximately 4,000 square feet for GFBNEC. Intended to serve as a permanent home for GFBNEC directly adjacent to the Go For Broke Monument, this space will support a veteran “Honor Wall,” as well as exhibit and office space. A large organizational room will be used to support educational programming, community events, and other administrative functions.

“Go For Broke Apartments” is a proposed mixed-use project consisting of:

- At least 77 dwelling units, 100% affordable
- Ground Level Community / Social Service / Leasable Space
- Parking: Ground Level (7 spaces, including one accessible) and Secured Subterranean (70 spaces, including 4 accessible)

The proposed building is five stories of wood frame construction supported by one level of concrete podium, with subterranean parking below. The design of the building will create a plaza space that enhances and integrates the Go For Broke Monument site, which pays tribute to Japanese-American soldiers of World War II in the 442nd Regimental Combat Team, the most decorated unit for its size and length of service in American military history. ‘Go For Broke,’ a Hawaiian saying meaning “to wager everything,” was the regiment’s motto.

Located on Little Tokyo’s historic First Street North block, Go For Broke Apartments is integral to the Sustainable Little Tokyo community vision, which supports affordable housing development. Less than a quarter mile away from the Metro Gold Line station, this transit-oriented development project is intended to create active linkages between a major transit stop and the historic heart of Little Tokyo as well as City Hall.

BACKGROUND / CHRONOLOGY

The Go For Broke Monument was presented to the City on June 6, 1999 to honor Japanese-American war veterans who served in special units during World War II (CF 98-0616; CF 99-0985). Eventually, the City entered into a ground lease agreement with GFBNEC to expand the Go For Broke Monument into an educational and interpretive center. Below is a chronology of the Council actions and authorizations that have resulted in the current project proposal:

- On April 26, 2006 the City executed a 50-year, \$0 ground lease agreement with GFBNEC to expand the Go For Broke Monument for the purpose of building an educational and interpretive center to provide educational programs to City residents (CF 05-0686). The original ground lease agreement required GFBNEC to meet several development and construction performance milestones to ensure the completion of the project. However, due to financial difficulties associated with the 2008 recession, the project was delayed and GFBNEC required additional time to meet the performance milestones. The setback proved beneficial, and as a response to the increasing need for housing, GFBNEC re-imagined the project and introduced the concept of affordable veteran housing to the interpretive education center.

- On October 12, 2018, the City Council adopted a Motion (Huizar – Harris-Dawson) instructing City staff to negotiate a new ground lease with GFBNEC to allow for the construction of permanent supportive housing and a new interpretive education center, as approved uses (CF 05-0686-S1). (Attachment 4)
- On June 10, 2019, the Council approved the recommendations of an April 17, 2019 Municipal Facilities Committee report, and a Supplemental Ground Lease agreement with GFBNEC for the construction of a mixed-use development to include a housing component in addition to the educational and interpretive center. The Supplemental Ground Lease has allowed GFBNEC to maintain site control and continue working towards its fundraising efforts and project requirements. The Supplemental Ground Lease Agreement resets the performance milestones and cures any defaults of the original ground lease.

FISCAL IMPACT STATEMENT

Approval of the recommendations in this report will have no immediate impact on the General Fund. LTSC intends to apply for affordable housing financing from HCID. If affordable housing is built on site, there may be an impact on the Affordable Housing Trust Fund or Proposition HHH, depending on how the housing is financed. A full estimate of these costs and impact will be known once LTSC applies for this funding, and submitted to the Council at the time of approval.

Attachment 1 – Map of Project Area

Attachment 2 – Legal Description

Attachment 3 – Go For Broke Conceptual Plans/Drawings

Attachment 4 – Council Motion: CF 05-0686-S1

RHL:YC/JVW/mk

Doc Id: 15210006

ATTACHMENT 1



LEGAL DESCRIPTION

Those portions of Lots A and B, Tract No. 9244 in the City of Los Angeles, County of Los Angeles, State of California as per map recorded in Book 146, Page 72 of Maps in the office of the County Recorder of said county, bounded and described as follows:

Beginning at the southwest corner of said Lot B; thence northerly, westerly and northerly through various courses along the westerly line of said Lots A and B to the southwesterly sideline of Temple Street, 84.00 feet wide, established by the City of Los Angeles, described in the Ordinance No. 132185 of said City, approved on April 11, 1966; thence along said southwesterly sideline of Temple Street, South $44^{\circ}59'41''$ East a distance of 386.79 feet to the southerly line of said Lot B; thence along said southerly line North $81^{\circ}28'00''$ West a distance of 331.35 feet to the point of beginning.

Contains: 37,405 square feet or 0.86 acres.

See Exhibit A attached hereto and by this reference made a part hereof.





GO FOR BROKE
NATIONAL EDUCATION CENTER

April 2020



PROJECT OVERVIEW

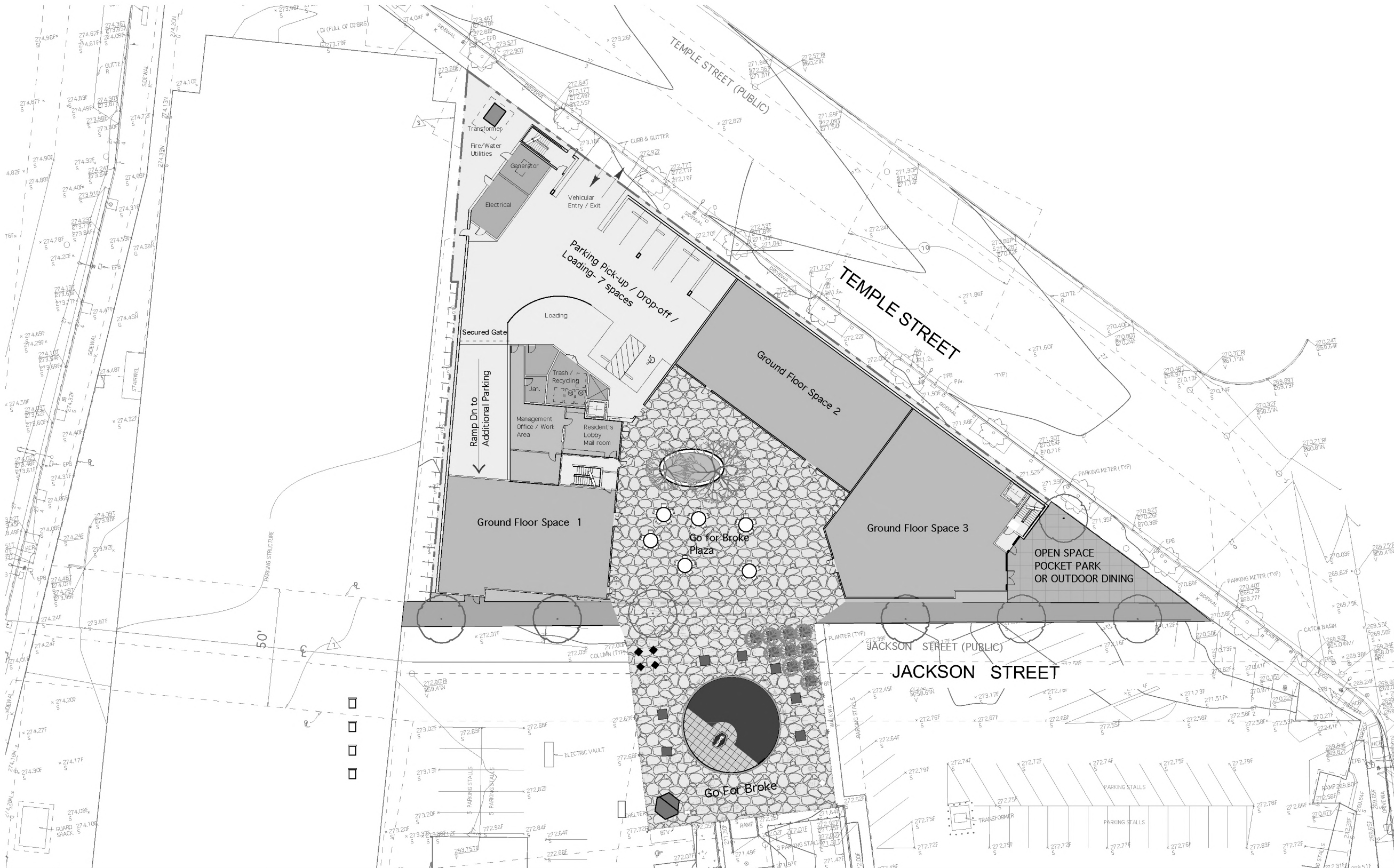
Mixed-Use Development:

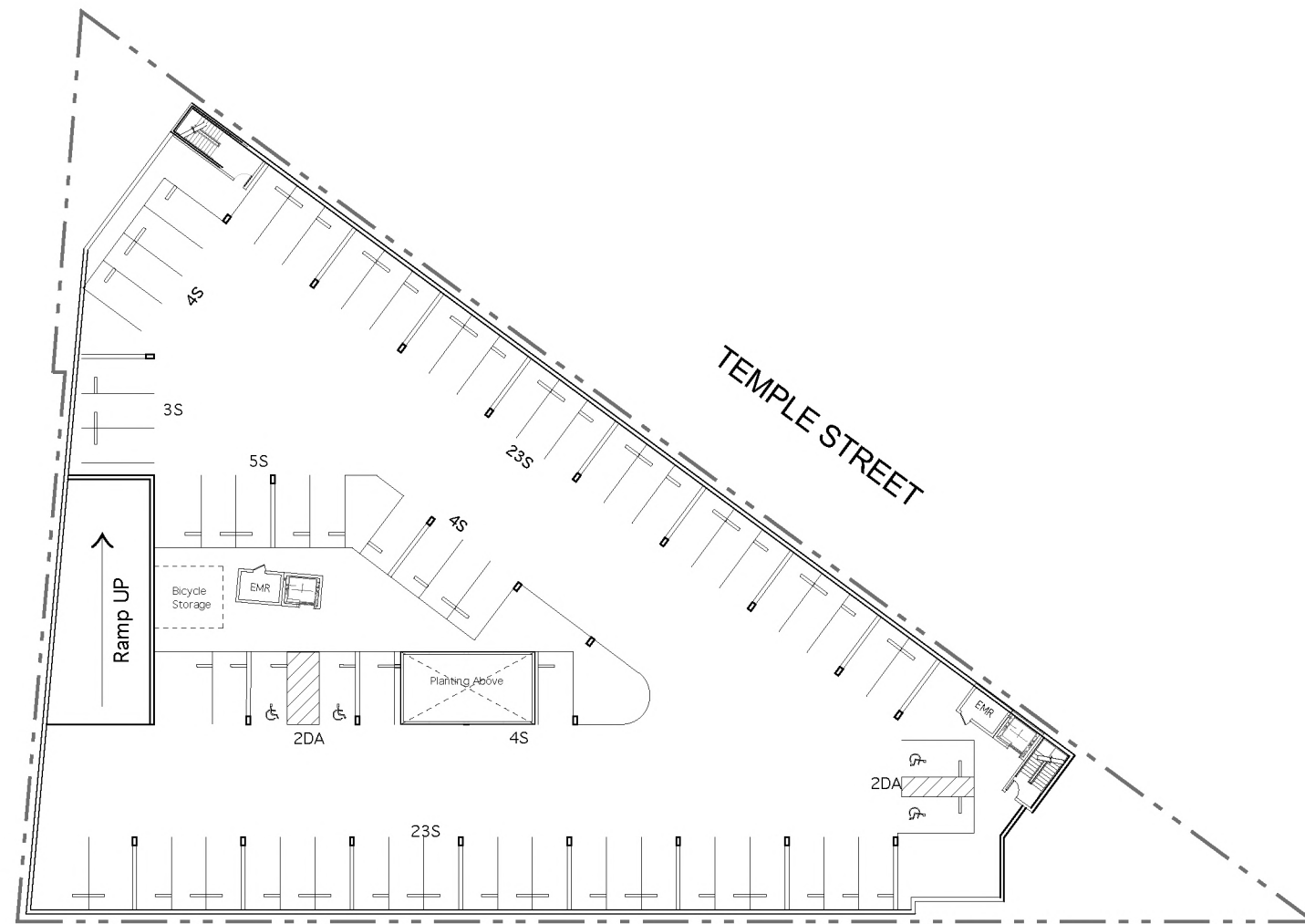
- 77 dwelling units
- Ground Level Community / Social Service / Leasable Space
- Secured Subterranean Parking

Unit Type	No. Units	Unit Mix	Level 2	Level 3	Level 4	Level 5	Level 6
Studios	19	25%	4	4	4	4	3
1 Bedroom	30	38%	6	6	6	6	6
2 Bedroom	24	31%	5	5	5	5	4
3 Bedroom	4	6%	1	1	1	1	-
Totals	77	100%	16	16	16	16	13

Ground Floor Level	7	Parking spaces (including 1 accessible spaces)
Subterranean Level	70	Parking spaces (including 4 accessible spaces)
Total Parking Spaces	77	

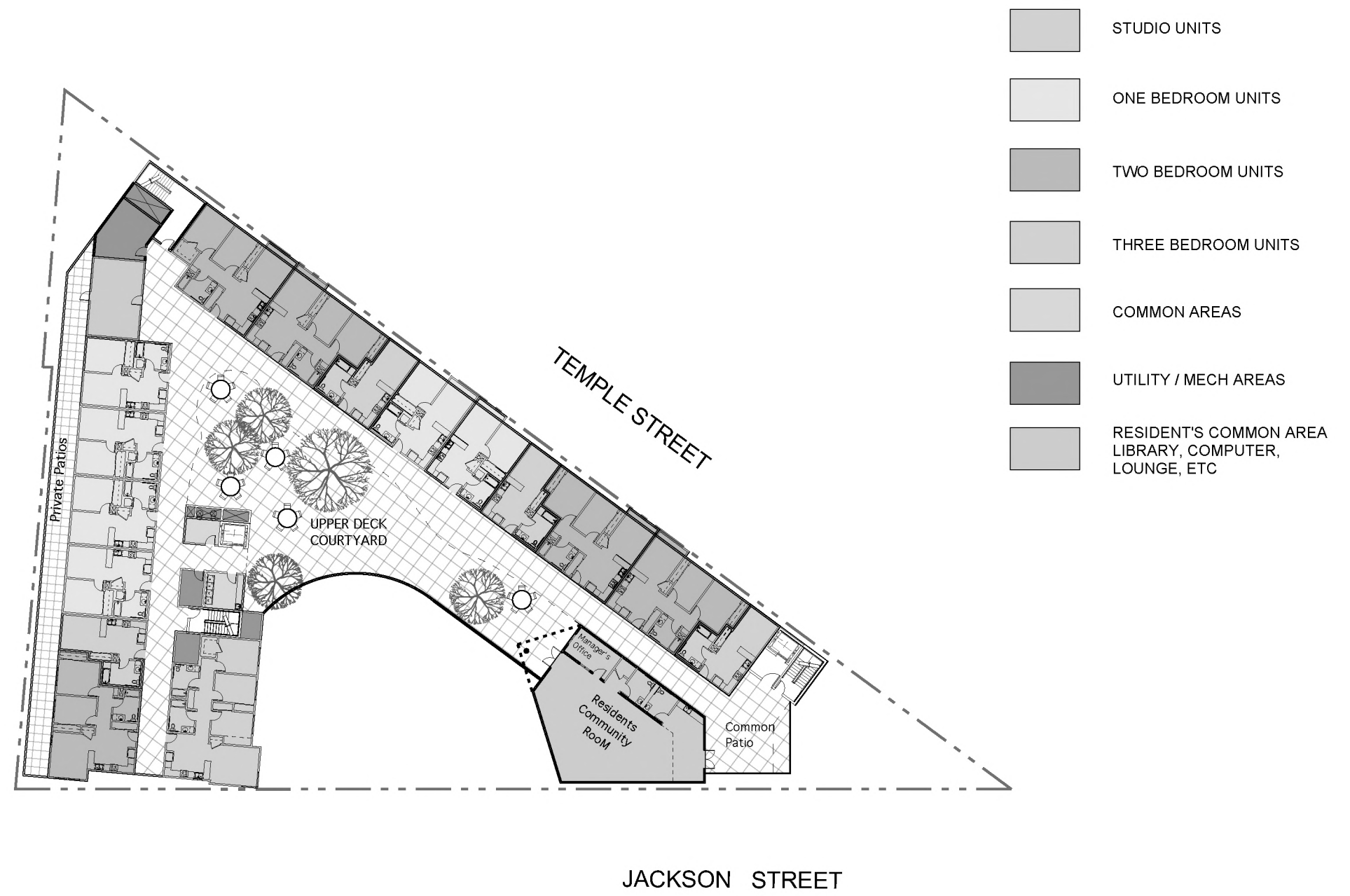






Parking: 70 Total Parking Spaces

JACKSON STREET







GO FOR BROKE
NATIONAL EDUCATION CENTER

April 2020

MOTION

The Go For Broke National Education Center is a national nonprofit dedicated to educating and inspiring better character through educating people about the valor of the Japanese Americans who participated in World War II. The organization provides educational material for youth while at the same time ensuring that Japanese American veterans have the resources they need to succeed.


In 2006, Council File 05-0686 authorized the city to enter into a lease with the Go For Broke National Education Center for the construction of a new educational center on a city parcel (APN #5161012901) south of Temple Street between Judge John Aiso Street and Alameda Street and determined that the project was categorically exempt from review under CEQA. Since the execution of the lease, Go For Broke has modified its goals for this project to include affordable and permanent supportive housing. Due to this shift in goals, the allowed uses under the existing lease no longer meet the needs of the organization.

In order to accommodate this additional use, Go For Broke has requested the City to enter into a new lease with a term long enough to allow for the development of housing, a portion of which will be affordable and for military veterans. Go For Broke has agreed to the termination of the existing lease and the execution of a new one in order to facilitate the new project.

I THEREFORE MOVE that the Department of General Services, Bureau of Engineering, and other appropriate departments, with assistance of the City Attorney, be instructed to negotiate a new ground lease that reflects the current needs of the Go For Broke National Education Center, and allows for the construction of a new interpretive education center and permanent supportive housing as approved uses; and,

I FURTHER MOVE that upon negotiation of the new lease, the Department of General Services report back to Council with the final lease terms and the appropriate CEQA clearance for Council approval.

PRESENTED BY:


JOSE HUIZAR

Councilmember, 14th District

SECONDED BY:



ORIGINAL

AUG 10 2018

