

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

JANUARY 30, 2018

Pursuit of Affordable Housing in Watts

The land surrounding the 103rd Street/Watts Towers Blue Line Station (Station) in the City of Los Angeles is predominantly vacant and underutilized. However, given its proximate location to the historic Watts Towers, numerous schools and parks, the property has tremendous potential to become a vibrant transit-oriented community. The land surrounding the Station is owned primarily by public agencies including 159,908 square feet owned by the Los Angeles County Metropolitan Transportation Authority (Metro), and 206,709 square feet located at 10341 S. Graham Avenue, as well as various parcels south of 103rd Street and north of 108th Street between Graham and Grandee Avenues in the City of Los Angeles (Assessor Parcel Numbers 6065-022-900, 6065-022-901, 6065-022-902, 6065-023-915, 6065-023-916, 6065-023-903, 6065-023-910, 6065-023-911, and 6065-023-001), which are owned by the City of Los Angeles' former Community Redevelopment Agency (CRA/LA). As part of its dissolution process, CRA/LA is required to sell these properties (collectively, the CRA/LA Properties).

The CRA/LA Properties create an ideal location for an affordable housing development, given that the multifamily vacancy rate for the Watts community is less than 5%, and much of the existing housing stock is in need of significant repair. Recent analysis by Metro found that the Metro and CRA/LA parcels combined could accommodate up to 290 units of housing.

If the CRA/LA should sell these properties to a private buyer, the nature of any

MOTION

SOLIS _____

RIDLEY-THOMAS _____

HAHN _____

BARGER _____

KUEHL _____

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proposed future development would be uncertain. Thus, it is appropriate for the County of Los Angeles (County) to facilitate the acquisition of the CRA/LA Properties in a timely and efficient manner to ensure that the potential future development thereon help address the affordable housing crisis while simultaneously celebrating the cultural renaissance that is occurring in the surrounding area.

Founded in 1988, the Housing Corporation of America (HCA) is a non-profit 501(c)(3) organization whose mission is to provide quality, affordable housing to communities across the nation. In partnership with local developers, HCA has developed over 8,000 units at 81 developments, 70 of which are located in California. Moreover, HCA has secured \$2,800,000, the price for which the CRA/LA is willing to sell its properties and is willing to enter into a concurrent acquisition of these properties from the County. Upon acquisition, HCA, in conjunction with its development partner, would then be able to seek a partnership with Metro to collectively develop all of the public parcels.

Given the urgency of bringing new affordable units to market, it is appropriate that the County agree to acquire the CRA/LA Properties subject to HCA's concurrent acquisition of such properties from the County for the purpose of developing affordable housing, as authorized by Government Code section 26227. Any future proposed development of the properties would be conditioned on prior compliance with the California Environmental Quality Act (CEQA) by HCA and the City of Los Angeles, the public agency which would serve as lead agency under CEQA.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Find that recommended actions pertaining to the City of Los Angeles' former Community Redevelopment Agency (CRA/LA) Properties, which are comprised of Assessor Parcel Numbers 6065-022-900, 6065-022-901, 6065-022-902, 6065-023-915, 6065-023-916, 6065-023-903, 6065-023-910, 6065-023-911, and 6065-023-001, are not a project under section 21065 of the Public Resources Code and section 15378(b)(5) of the State California Environmental Quality Act (CEQA) Guidelines because they are organizational or administrative activities of government that will not result in direct or indirect physical changes in the

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environment; any future development of the properties will be conditioned on prior completion by HCA and the City of Los Angeles, as the lead agency, with the requirements of CEQA;

2. Find that the acquisition of the CRA/LA Properties by the County of Los Angeles (County) to facilitate the transfer of such property to the Housing Corporation of America (HCA) for the development of affordable housing will serve public purposes pursuant to Government Code section 26227;
3. Find that the CRA/LA Properties once acquired by the County, will not be needed for County purposes and that the transfer of such property to HCA for the development of affordable housing will serve public purposes pursuant to Government Code section 26227;
4. Establish and approve the Graham Avenue CRA/LA Properties Acquisition, Capital Project Number 77612 with a land acquisition budget of \$2,800,000;
5. Approve an appropriation adjustment that increases appropriation and revenue by \$2,800,000 to fund the Graham Avenue CRA/LA Properties Acquisition, Capital Project Number 77612; and
6. Authorize the Chief Executive Officer, or her designee, to take the necessary actions consistent with implementation of these recommendations to consummate the acquisition of the CRA/LA Properties and their concurrent sale for the price of \$2,800,000 to HCA consistent with Government Code section 26227 for the development of affordable housing, conditioned on prior compliance by HCA and the City of Los Angeles, as the lead agency, with the requirements of CEQA, and the recordation of appropriate affordable housing covenant(s) on the properties.

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(KK)

JANUARY 30, 2018
DEPT NO: 060

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFOR
FY 2017-18
4 - VOTES**

SOURCES

USES

VARIOUS CAPITAL PROJECTS
GRAHAM AVE CRA/LA PROPERTIES ACQUISITION
A01-CP-94-9924-65099-77612
OTHER MISCELLANEOUS/CP - EXCLUDING GRANTS AND CONTRIBUTIONS
INCREASE REVENUE **2,800,000**

VARIOUS CAPITAL PROJECTS
GRAHAM AVE CRA/LA PROPERTIES ACQUISITION
A01-CP-6006-65099-77612
CAPITAL ASSETS - LAND
INCREASE APPROPRIATION **2,800,000**

SOURCES TOTAL **\$ 2,800,000**

USES TOTAL **\$ 2,800,000**

JUSTIFICATION

Increase Appropriation and Revenue \$2,800,000 to fund the Graham Ave CRA/LA Properties Acquisition, CP No. 77612. Funds are anticipated to be reimbursed to the Capital Project in the concurrent purchase and sale of the properties.

James Yun
AUTHORIZED SIGNATURE James Yun, Manager, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

- ACTION
- RECOMMENDATION

- APPROVED AS REQUESTED
- APPROVED AS REVISED

AUDITOR-CONTROLLER

BY *Lantam*
DATE *Jan. 24, 2018*

CHIEF EXECUTIVE OFFICER

BY *James Yun*
DATE *1/24/18*

B.A. NO. 097