



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

April 3, 2018

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The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

Dear Board of Commissioners:

**APPROVE DISPOSITION OF COMMUNITY DEVELOPMENT COMMISSION
PROPERTY AT 1770 EAST 118TH STREET AND 11827 HOLMES AVENUE IN
UNINCORPORATED WILLOWBROOK
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends approval of the disposition of the Community Development Commission (CDC) owned property located at 1770 East 118th Street and 11827 Holmes Avenue in unincorporated Willowbrook. The property will be sold to Charles R. Drew University of Medicine and Science (University), a nonprofit corporation. Approval of this action will enable the University to continue in its provision of educational programs to pre-kindergarten through 12th grade students that reside within the Los Angeles County Service Planning Area Region 6. The primary focus of the programs is to engage students in mathematics and science courses in an effort to develop career pathways in science, technology, engineering and mathematics, with an emphasis in health-related fields.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Executive Director, or designee, to execute a Purchase and Sale Agreement and all necessary documents related to the disposition of the CDC-owned property at 1770 East 118th Street and 11827 Holmes Avenue (Site) to Charles R. Drew University of Medicine and Science (University), following approval as to form by County Counsel.

2. Authorize the Executive Director, or designee, to sell the Site to University for the negotiated price of \$1,072,754, and to pay CDC's share of closing costs estimated at \$6,600.
3. Find that the sale of the Site is not subject to the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 1983, the CDC began to acquire a number of properties in the Willowbrook area as part of the activities associated with the Willowbrook Redevelopment Project area. A number of properties were acquired for the University's campus expansion, which was identified as one of the primary goals of the redevelopment plan. On June 26, 1986, the CDC entered into an Owner Participation Agreement (OPA) with the University for the development of property located immediately adjacent to the University aimed at responding to future growth of the campus, including the subject Site. The Site is generally located at the southwest corner of 118th Street and Holmes Avenue and includes six (6) parcels totaling 40,209 square feet (Assessor's Identification Numbers 6149-019-901, 906, 909, 912, 913 and 914). The Site was purchased with Community Development Block Grant (CDBG) funds for a total of \$454,531.

In accordance with the OPA, the University was to construct a primary care facility and two parking lots in three phases. The CDC required a deposit for each phase as security for the development of the project in the amounts of \$68,355 for Phase 1, \$20,000 for Phase 2 and \$20,000 for Phase 3, for a total of \$108,355. Per the OPA, the deposits would be retained by the CDC and credited toward the purchase price of the real properties upon the completion and acquisition of each phase by the University. Between 1986 and 2004, the OPA was amended four times to remove various parcels from the proposed project largely due to the University's budgetary constraints and delays caused by changes in the University's Master Plan for the campus expansion. As a result, only Phase 1 of the project, a parking lot, was completed by the University. Phases 2 and 3 were not completed, however, the deposits were retained by the CDC in an interest bearing account. As of December 31, 2017, the amount in that account is \$67,754, which will be applied toward the purchase price of this Site.

On October 1, 1992, the University entered into an agreement with the CDC to lease the Site in order to locate portable trailers on the property for the purposes of providing medical and social services to the surrounding community. The University continues to lease the Site from the CDC, which currently houses eight (8) trailers, for various educational programs referred to as "Pipeline Programs" for students that reside within the Los Angeles County Service Planning Area Region 6.

The University desires to purchase the Site to continue to provide educational services to the community.

FISCAL IMPACT / FINANCING

There is no impact on the County general fund. The CDC will sell the Site for the negotiated price of \$1,072,754. The deposit, in the amount of \$67,754, will be credited toward the purchase price, reducing the purchase price to \$1,005,000. The University will make a payment of \$800,000 in cash, paid at closing, and intends to provide in-kind services, two new Pipeline Programs, in lieu of cash for the remaining balance of \$205,000 and no interest shall accrue on said balance. The CDC will pay its share of title and escrow closing costs estimated at \$6,600. Since the Site was purchased with CDBG funding, the property transaction is subject to CDBG guidelines under the Code of Federal Regulations (CFR). In-kind services can be utilized as a form of a "land write-down" if the activities qualify per the criteria set forth in Title 24 of the CFR that: 1) meet a National Objective and 2) is an eligible activity. The services provided meet the National Objective under limited clientele activities (24 CFR 570.208(a)(2)(i)(B)) as they benefit a limited clientele where at least 51 percent are low- to moderate-income persons. In addition, the services provided are eligible public services as they are education in nature (24 CFR 570.201 (e)).

The University proposes the following two new programs to expand their educational programs as part of their in-kind services:

1. President Scholars is designed for seniors who have a 3.8 grade point average or higher and are nominated by a school counselor, principal or teacher. Students selected into the program earn a full-ride scholarship toward their education at the University. The University has proposed providing five (5) full-ride scholarships per fiscal year that is valued at \$33,500 per student.
2. Opportunity Scholars offers 9th through 12th grade students who have a grade point average between 2.0 and 3.79 and are interested in a career in the health field with additional educational support. Some of the benefits of this program include access to lectures at the University, waived application fees, networking and mentoring opportunities, and guaranteed priority admission for 12th grade students that meet the minimum requirements and early admittance for 10th and 11th grade students. The University has proposed offering 15 scholarships per fiscal year, valued at \$500 per student.

The projected value of these new programs for Fiscal Year 2017-18 is estimated at \$175,000, collectively. These activities would be subject to a Use Covenant and will be monitored for a period of five (5) years. If the University satisfactorily provides the services over the term, the restriction on the Site will terminate.

FACTS AND PROVISIONS / LEGAL REQUIREMENTS

Charles R. Drew University of Medicine and Science is a nonprofit, non-sectarian, minority-serving medical and health sciences institution that was founded in 1966 after a report by the McCone Commission (*Violence in the City: An End or Beginning* under Governor Edmund G. Brown) cited poor health status and diminished access to quality education, healthcare, employment and safety as key factors sparking the 1965 civil revolt in the local community. The University is the only designated minority-serving health science university in the County, which has a population of 10 million residents and approximately 70% are from minority communities. The University earned its designation as a minority-serving institution by the U.S. Office for Civil Rights, and is recognized by the Department of Education under Title III, Part B as a Historically Black Graduate Institution. The University is also a charter member of the Hispanic-Serving Health Professions Schools, a national not-for-profit organization dedicated to improving the health of Hispanic people through research initiatives, training opportunities, and academic development. The University serves as the only academic health sciences center for the 1.5 million residents of South Los Angeles.

The University has contributed significantly to the diversity of the nation's healthcare workforce by graduating more than 550 physicians, 1,200 physician assistants, and hundreds of other health professionals. In addition, the University has trained over 2,700 physician specialists through its sponsored residency programs. The Mervyn M. Dymally School of Nursing has graduated over 560 nursing professionals, including over 400 family nurse practitioners since its opening in 2010. More than 70% of the University's graduates are ethnic minorities.

Consistent with the University's vision, additional academic programs have been developed and integrated that extends curricula to students of all ages. The University's Pipeline Programs help prepare underrepresented, economically disadvantaged K-12 students for college. The sale of the Site will allow for the continuation and expansion of Pipeline Programs for students in the surrounding area.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (a)(5), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions as it involves the disposition of land to be retained for the same use. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines Section 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the disposition will relieve the CDC of general liability and maintenance of the Site.

Respectfully submitted,



MONIQUE KING-VIEHLAND
Executive Director

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