

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

September 25, 2018

EXPO/CRENSHAW JOINT DEVELOPMENT PROJECT

On January 6, 2017, the Los Angeles County Metropolitan Transportation Authority (Metro) and the County of Los Angeles (County) acting through the Community Development Commission of the County of Los Angeles (Commission) entered into a Memorandum of Understanding (MOU) for the potential development of the County-owned property at 3606 W. Exposition Boulevard in the City of Los Angeles (County Property) and the Metro-owned property located at 3630 and 3642 South Crenshaw Boulevard, 3510 West Exposition Boulevard, 3505 Rodeo Road, and 3635 South Bronson Avenue, all located within the City of Los Angeles (collectively, the Expo/Crenshaw Joint Development Site). A Request for Proposals was released by Metro for the potential development of the Expo/Crenshaw Joint Development Site and on January 9, 2018, the Board of Supervisors (Board) approved of a short term exclusive negotiating agreement (Short Term ENA) with WIP-A, LLC, a wholly-owned subsidiary of Watt Companies, Inc. (Developer).

The purpose of the Short Term ENA was to provide an interim period before executing a full term Exclusive Negotiation Agreement and Planning Document so that the Developer could conduct additional community outreach regarding the proposed development of the Expo/Crenshaw Joint Development Site. The Short Term ENA also provided time for the Developer to identify and enter into a letter of intent (LOI) with a community-based organization for its participation in the proposed project.

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In March 2018, the Developer and West Angeles Community Development Corporation (WACDC) (collectively, the Development Team) executed an LOI which outlines WACDC's equity position in the proposed project and funds a WACDC staff position to support the proposed project. WACDC is a respected and established non-profit organization with strong ties to the local community. As they have done for other affordable housing projects in the Crenshaw area, WACDC will assist in outreach, marketing, and lease-up of the affordable component of the proposed Project, and will provide social services for the occupants of the affordable housing units once the proposed project is operational. WACDC will also help the Developer identify opportunities for local job seekers and contractors in the construction and operation of the proposed project.

Additionally, in March 2018, the Development Team and Metro staff hosted two community roundtable discussions with key Expo/Crenshaw stakeholder representatives from resident and homeowners associations, business groups, faith-based organizations, and other community-based organizations. Two larger community workshops were held in April 2018, and were promoted through the distribution of 5,000 flyers within one-half mile of the Expo/Crenshaw joint Development Site, e-blasts, social media, phone calls, and a project website. Collectively, these four meetings attracted over 325 participants who engaged with the Development Team and Metro staff and provided input on the proposed Project.

The Developer's original proposal contemplated a total of 492 residential units dispersed over both sites, with 15% of those units restricted to households earning 50% or less of area median income (AMI). In the community meetings, many stakeholders expressed a desire for an increase in the number of affordable housing units in the proposed project. They also requested that the proposed project serve a greater range of household incomes. In response, the Development Team has committed to providing a minimum of 400 total units in the proposed project, and 20-25% of the units will be restricted to households earning between 30-80% of AMI inclusive of 15% of the total units in the proposed project restricted to households earning 50% of AMI or less, consistent with the original proposal. During the ENA period, the Development Team will pursue affordable

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housing financing sources to support the additional income-restricted units.

During the Short Term ENA period, the Developer worked in good faith with the County and Metro staff and performed pursuant to the requirements of the Short Term ENA. Staff is now recommending entering into an Exclusive Negotiation Agreement and Planning Document with a term of 18 months and with the option to extend up to 30 months, which will enable the Development Team to continue outreach and project scoping, advance project design, pursue entitlements/California Environmental Quality Act clearance, and negotiate keys terms of the Joint Development Agreements and Ground Leases with the County and Metro.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS, ALSO ACTING AS
THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT
COMMISSION:**

1. Approve and delegate authority to the Executive Director of the Community Development Commission (CDC), or her designee, to act on behalf of the County of Los Angeles (County) to execute an Exclusive Negotiation Agreement and Planning Document, presented in substantially final form, by and among the County, Los Angeles County Metropolitan Transportation Authority (Metro), and WIP-A, LLC, a wholly-owned subsidiary of Watt Companies, Inc. (Developer) for the negotiation of the potential development of the Expo/Crenshaw Joint Development Site comprised of County-owned and Metro-owned property located at 3606 W. Exposition Boulevard, 3630 and 3642 South Crenshaw Boulevard, 3510 West Exposition Boulevard, 3505 Rodeo Road, and 3635 South Bronson Avenue in the City of Los Angeles. The Exclusive Negotiation Agreement and Planning Document will have a term of 18 months with the option to extend up to 30 months at the discretion of the Executive Director of the CDC.

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2. Authorize the Executive Director of the CDC, or her designee, to collect a fee in the amount of \$25,000 in connection with the terms of the Exclusive Negotiation Agreement and Planning Document.
3. Authorize the Executive Director of the CDC, or her designee, to execute amendments to the existing Memorandum of Understanding, executed on January 6, 2017, between the County and Metro.
4. Find that approval of these actions, as described herein, is not subject to the provisions of the California Environmental Quality Act (CEQA) because the actions do not commit the County to a project and will not have the potential for causing a significant effect on the environment.

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(DR)