

MOTION BY SUPERVISOR HILDA L. SOLIS

SEPTEMBER 24, 2019

3RD and Dangler Project

On October 6, 2017, the Los Angeles County Development Authority (LACDA) and County of Los Angeles issued a joint Request for Proposals (RFP) for the development of three (3) County-owned parcels at 4643 and 4653 East 3rd Street and 219 South Dangler Avenue (County Properties) and three (3) LACDA-owned parcels at 4639, 4651 and 4655 East 3rd Street, Los Angeles, CA 90022 (LACDA Properties), all in the unincorporated East Los Angeles area of the County (collectively, Properties). The Properties are located near the Maravilla Gold Line Metro Station in the unincorporated area of East Los Angeles. Currently, these Properties are vacant lots.

The LACDA and County received four (4) proposals in response to the RFP. On July 31, 2018, the Board of Supervisors and Commissioners (Boards) authorized its respective Chief Executive Officer and Executive Director to enter into an Exclusive Negotiation Agreement (ENA) with Azure Development, Inc (Azure). However, due to a lack of progress made on securing adjoining properties as specified in their RFP response, the ENA with Azure was terminated on April 22, 2019. As a result, it is hereby

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recommended the County and LACDA execute an ENA with National Community Renaissance of California (Developer), a California Corporation, and second runner up, for the development of the Properties at the northwest corner of 3rd Street and Dangler Avenue in unincorporated East Los Angeles.

The ENA will include the following terms:

- An initial term of 180 days with options to extend the term up to two (2) 90-day extensions, if needed.
- An ENA deposit to be held by the LACDA, in the amount of \$25,000, which will be replenished by the Developer on an as needed basis, as outlined in the ENA, to cover the transaction expenses.
- Developer is solely responsible for any expenses it incurs to assess the feasibility of a mixed-use development project at the Properties.
- A financial analysis of the proposed development including reasonable proforma assumptions, financial feasibility and project design will be further analyzed during the term of the ENA.

Under its initial development proposal, the Developer proposed to develop 78 affordable dwelling units of which 16 units will be set aside for homeless households, and shall include 0.5 parking stalls per unit, a ground level fitness room, a 2,379 square foot community center, a landscaped resident's courtyard with tot lot and a rooftop lounge with an edible community garden (Proposed Project). The following is the proposed/approximate unit mix and affordability levels for the Proposed Project:

- 16 units at 30% of average median income (AMI) (Ten (10) studios and six (6) one (1)-bedroom units) (homeless units);
- 30 units at 50% AMI (Five (5) studios, 19 one (1)-bedroom units, and six (6) two (2)-bedroom units);
- 22 units at 60% AMI (Five (5) studios, 15 one (1)-bedroom units, and two (2) two (2)-bedroom units);
- Nine (9) units at 80% AMI (Nine (9) two(2)-bedroom units); and
- One (1) unrestricted manager's unit.

Notwithstanding the foregoing description, the Proposed Project is a preliminary proposal that is subject to change through negotiation as well as input derived from the County and LACDA's community outreach efforts.

The Proposed Project satisfies the goals and objectives described in the 3rd Street Specific Plan and Metro's Transit Oriented Development guidelines. The approval of the actions below will allow the County and LACDA to explore whether they can redevelop the Properties located in the East Los Angeles unincorporated area of the First Supervisorial District.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Approve and authorize the Chief Executive Officer, or her designee, to execute, and if necessary, amend, extend, or terminate the Exclusive Negotiating Agreement (ENA), presented in substantially final form, among the County of Los Angeles, LACDA, and National Community Renaissance of California, a California Corporation, for the negotiations of the potential

development of County-owned properties located at 4643 and 4653 East 3rd Street and 219 South Dangler Avenue in unincorporated East Los Angeles.

2. Authorize the Chief Executive Officer, or her designee, to enter into a period of negotiations for 180 days and to extend the term of the ENA for a maximum of two (2) 90-day extensions, if needed.
3. Find that approval of these proposed actions, is not subject to CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378 because the actions do not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment.

I, FURTHER, MOVE that the Board of Supervisors, acting as the Board of Commissioners of the Los Angeles County Development Authority:

1. Approve and authorize the Executive Director, or her designee, to execute, and if necessary, amend, extend, or terminate the ENA, presented in substantially final form, among the County of Los Angeles, LACDA, and National Community Renaissance of California, a California Corporation, for the negotiation of the potential development of LACDA properties located at 4639, 4651 and 4655 East 3rd Street, Los Angeles, CA 90022 in unincorporated East Los Angeles.

2. Authorize the Executive Director, or her designee, to enter into a period of negotiation for 180 days and to extend the term of the ENA for a maximum of two (2) 90-day extensions, if needed.
3. Authorize the Executive Director, or her designee, to collect deposits and fees in connection with the terms of the ENA, and to administer the expenses and accounting associated with the ENA.
4. Find that approval of these proposed actions, is not subject to CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378 because the actions do not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment.

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