

October 18, 2022

MOTION BY SUPERVISOR SHEILA KUEHL

AUTHORITY TO PUBLISH NOTICE OF INTENTION TO PURCHASE THE WEST LOS ANGELES COURTHOUSE LOCATED AT 1633 PURDUE AVENUE, LOS ANGELES, BY THE COUNTY OF LOS ANGELES FROM THE JUDICIAL COUNCIL OF CALIFORNIA AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO LOCATE FUNDS TO COMPLETE THE PURCHASE

The West Los Angeles Courthouse (Courthouse), located at 1633 Purdue Avenue, Los Angeles (Assessor’s Parcel Numbers 4261-011-908, -909, -910, -913, -914, and -915) (Property), was used for decades by the State of California, acting by and through the Judicial Council of California (Judicial Council) for courthouse purposes. The Judicial Council subsequently operated the Courthouse until June 14, 2013, when court proceedings were discontinued, and it vacated the Property. The Property has remained vacant.

On September 19, 2018, Assembly Bill 2309 authorized the Judicial Council to sell the Courthouse as surplus State real property, and gave the County of Los Angeles (County) the first right to purchase the Property. The County has been working through the Chief Executive Office and the Los Angeles County Development Authority and subsequently the Department of Economic Opportunity, on a proposed redevelopment of the Property to provide affordable and mixed-use housing for the local population. To allow sufficient time to secure a developer through a Request for Proposal (RFP) process pursuant to Government Code section 25515 et seq., the County and Judicial Council entered into a 24-month lease agreement (Lease) for the County’s use of the Property through January 31, 2022, which provides the County an option to purchase the Property during the term of the Lease. On August 4, 2020, and May 3, 2022, the Board approved two amendments to the Lease that collectively extended the Lease term until January 31, 2024.

West LA Commons LLC (Developer), a joint venture between Abode Communities and AvalonBay Communities, was ultimately selected as the prospective developer for the Property and on March 9, 2021, the Board approved entering into an exclusive negotiating agreement (ENA) with the Developer. Pursuant to the ENA, the Developer and the County are in negotiations regarding redevelopment of the site with the requirement that any project constructed on the Property must include affordable and/or supportive housing (Project).

The Lease's option to purchase sets the purchase price at \$35,780,000, which is the Judicial Council's appraised valuation of the Property as of January 2019. A County-commissioned appraisal report confirmed the Judicial Council's valuation. In accordance with the Lease and subsequent amendments, all Lease payments made by the County are to be credited against the purchase price. For example, if the County were to complete the purchase by the end of January 2023, the County would have made total lease payments in the amount of

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\$3,578,000; therefore, the balance of the purchase price to be paid by the County is \$32,202,000. To purchase the site, this Board needs to instruct the Chief Executive Officer, or her designee, to identify and secure the funds needed to purchase the Property and pay for all closing costs.

The Developer and the County continue to negotiate the terms for the Project, which may ultimately be reflected in a ground lease and other associated documents. In addition, the Project is undergoing environmental clearance in accordance with the California Environmental Quality Act, which requires preparation of an Environmental Impact Report. Based on the Project's current environmental clearance and entitlement approvals schedule (which includes various approvals that must be obtained from the City), the anticipated ground lease with the Developer cannot be consummated before the termination of the current Lease with the Judicial Council. Consistent with the RFP requirements, the current terms for the Project contemplate that the Developer will pay the County \$32,202,000, without any reimbursement for closing costs or the \$3,578,000 in payments already paid by County to Judicial Council, which was to incentivize development of affordable housing for the site.

Because of the location of the Property, which represents one of the largest publicly-owned infill sites suitable for affordable housing in this densely-populated western area of the County, and the County's opportunity to purchase the Property at a pre-negotiated 2019 purchase price with the already expended rent payments being credited towards the purchase price, it would be prudent for the County to purchase the Property and hold the Property for its eventual redevelopment into an affordable, mixed-use housing development (which development would either include the Project if all requisite clearances or approvals are obtained, or, if not, an alternate affordable housing focused development project).

The proposed acquisition will be "as is" and will not be contingent on finalization of negotiations with the Developer or the receipt of entitlements or environmental clearance from the City or County.

Section 25353 of the California Government Code authorizes the Board to purchase real property necessary for use of the County for buildings or for other public purposes. Pursuant to Government Code sections 25350 and 6063, a Notice of Intention to Purchase (Notice) must be published for the County to acquire real property where the purchase price exceeds \$50,000. The Notice must contain a description of the property proposed to be purchased, the price, the seller, and the date and time the Board will meet to consummate the purchase. The Notice must be published at least once a week for three successive weeks prior to the Board's consummation of the proposed acquisition. Additionally, as required by Government Code section 65402, notice of the proposed acquisition was submitted to the City's Planning Department. The City responded and found the County's plan to acquire the Property for future affordable and mixed-use housing would be consistent with the City's General Plan.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that the proposed acquisition of the West Los Angeles Courthouse, located at 1633 Purdue Avenue, Los Angeles, California (Assessor's Parcel Numbers 4261-011-908, -909, -910, -913, -914, and -915) (Property), is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Government Code section 11011(k)(1), which exempts from CEQA the disposition of surplus State real property made on an "as is" basis. Upon title to the Property vesting in the County, appropriate environmental studies and documentation will need to be completed prior to returning to the Board for consideration and approval of any discretionary action that may impact the environment, such as entering into a lease with a developer for development of the Property. Upon approval of the below actions, the Chief Executive Office will file a Notice of Exemption (Notice) with the County Clerk pursuant to section 21152 of the Public Resources Code and will post the Notice to the County's website pursuant to section 20192.2 of the Public Resources Code.

2. Direct the Chief Executive Officer, or her designee, to work with the appropriate County departments and Supervisorial Board office to locate the balance of the purchase price in the amount of \$32,202,000 to complete the purchase of the Property, and funds for closing costs, estimated to be \$30,000. The County's proposed acquisition of the Property will be subject to the identification of this funding.

3. Approve the Notice of Intention to Purchase, in the form attached, for the proposed Acquisition of the Property for a purchase price of \$35,780,000, from the Judicial Council of California, and setting November 15, 2022, as the date for the Board to meet to receive public comment and

consummate the proposed acquisition.

4. Instruct the Executive Office-Clerk of the Board of Supervisors to publish the Notice of Intention to Purchase in accordance with Government Code section 6063.

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**NOTICE OF INTENTION
TO PURCHASE REAL PROPERTY**

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Supervisors of the County of Los Angeles, State of California, through delegated authority to its Chief Executive Officer or her designee, to purchase real property from the Judicial Council of California ("Grantor") located at 1633 Purdue Avenue, in the City of Los Angeles, County of Los Angeles, State of California as further described in the legal description attached hereto as Exhibit "A" (the "Property"), for the purchase price of Thirty Five Million Seven Hundred and Eighty Thousand and 00/100 Dollars (\$35,780,000).

NOTICE IS HEREBY GIVEN that the purchase of the Property will be consummated by the Board of Supervisors of the County of Los Angeles, State of California, on November 15, 2022, at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. No obligation will arise against the County and in favor of the Grantor with respect to the purchase described herein until the Board of Supervisors approves the acquisition of the Property on the named consummation date.



CELIA ZAVALA, Executive Officer
Board of Supervisors, County of Los Angeles

By *Hatem Abadie*
Deputy

APPROVED AS TO FORM:

DAYWN R. HARRISON
Acting County Counsel

A handwritten signature in blue ink, appearing to read "Daywn R. Harrison".

By _____
Senior Assistant County Counsel

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Part A:

Lots 2 to 10, inclusive, and Lots 18 to 23, inclusive, all in Block 6, Gillis Subdivision, as shown on map recorded in Book 83, pages 27 and 28, of Miscellaneous Records, in the office of Registrar-Recorder/County Clerk of the County of Los Angeles, and also that portion of said Block 6 within that certain parcel of land described as Parcel 1 in deed to Kenneth V. Munro and Lea L. Munro, recorded on October 19, 1961, as Document No. 511, in Book D1391, page 914, of Official Records, in the office of said Registrar-Recorder/County Clerk.

Part B;

That portion of Purdue Avenue (formerly known as Sixth Street, 60 feet wide, now vacated, said 60-foot-wide strip is shown on above mentioned map of Gillis Subdivision, lying within the following described boundaries:

Beginning at a point in the southwesterly sideline of said Purdue Avenue, said point being distant 140 feet southeasterly, measured along said southwesterly sideline from the most northeasterly corner of above mentioned Parcel 1, said point also being a point in the northeasterly line of Lot 3, above mentioned Block 6; thence southeasterly along said southwesterly sideline to most easterly corner of Lot 10, said Block 6; thence northeasterly, along the northeasterly prolongation of the southeasterly line of said Lot 10 to the northeasterly line of the southwesterly half of said Purdue Avenue; thence northwesterly along said last mentioned northeasterly line to a straight line which is at right angle from said northeasterly line of Lot 3 and which passes through the point of beginning; thence southwesterly, along said straight line to the point of beginning.