

**MOTION BY SUPERVISOR HILDA SOLIS**

**December 19, 2017**

**Self-Help Graphics**

The State of California Fiscal Year 2011-12 Budget Act included Assembly Bill x1 26 ("the Redevelopment Dissolution Act") prohibiting redevelopment agencies from engaging in new business and providing for their wind down and dissolution. Beginning in Fiscal Year 2011-12 property tax increment formerly diverted to redevelopment agencies is deposited into the Redevelopment Property Tax Trust Fund to pay enforceable obligations, pass through payments, and administrative costs. Remaining funds are distributed to affected taxing entities, including County of Los Angeles, as "residual" property tax revenue. In addition to residual property tax revenue, the County of Los Angeles also receives funds from the disposition of redevelopment agencies' fixed assets. County Board Policy requires revenue from the disposition of redevelopment agencies' fixed assets received by the County of Los Angeles, to be used as follows:

- Beginning in FY 2014-15, use all revenue received from Redevelopment Asset sales to provide funding for General Fund Capital Projects and Deferred Maintenance, Low to Moderate Income Housing, and/ or economic development.

According to the Redevelopment Dissolution Act, on July 1, 2018, local oversight boards (71 in the County of Los Angeles) that have been overseeing the wind down of redevelopment will be dissolved. The 71 agencies are distributed as follows: First District (23), Second District (7), Third District (4), Fourth District (17), Fifth District (18), the City of Los Angeles (CRA/LA), and the County (CDC).

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BARGER	_____
KUEHL	_____

Most successor agencies are close to being fully wound down, while other successor agencies will continue the wind down process past July 1, 2018. Remaining issues include analyzing ongoing enforceable obligations of the former redevelopment agencies, and the disposition of properties.

On December 16, 2014, the Los Angeles City Council authorized the Mayor, or designee, to execute Option Agreements related to the transfer of 10 real property interests held by CRA/LA, a Designated Local Authority ("CRA/LA") classified as "Property Retained for Future Development" ("Future Development") under the Long Range Property Management Plan approved by the State Department of Finance. CRA/LA is the successor agency to the former Community Redevelopment Agency of the City of Los Angeles. AB1484 affords an opportunity for successor agencies to retain certain assets for future development to fulfill redevelopment objectives within the redevelopment plans and five-year implementation plans. CRA/LA does not have the capacity to carry out new development activity so the City has been provided the opportunity to take on this effort. The Option Agreements allow the City to market and develop the 10 Future Development sites in a manner that is consistent with the redevelopment objectives and best serves the needs of the City and affected taxing entities. The Option Agreements were fully executed on January 9, 2015, and the properties are now under the control of the City.

Among the 10 Future Development sites is real property located at 1300 East First Street (APN 5172-008-900; 5172008-901; 5172-008-902). The site is commonly referred to as the "Ocean Queen" and consists of a single parcel measuring approximately 20,564 square feet improved with a 12,000 square foot building and surface parking lot. The property is currently occupied by Self Help Graphics and Art, Inc. (SHG). The site resides in the Adelante Eastside Redevelopment Project Area and directly across from the Metro Gold Line Pico/Aliso station in City of Los Angeles Council District 14.

Self Help Graphics (SHG) is a 501(c)3 non-profit organization that is dedicated to the production, interpretation, and distribution of prints and other art media made by Latino artists. They have been an integral part of the Boyle Heights community for decades providing a forum for local and international artists. SHG currently occupies the property under a ground lease

with CRA/LA that extends through 2020 but they are interested in acquiring the site to secure their permanent location. In order to facilitate the purchase, SHG is in need of additional funding to secure all financing to meet the purchase price. SHG will be receiving up to \$825,000 from excess CRA/LA bond proceeds available to City of Los Angeles Council District 14.

In exchange for the County and City of Los Angeles assistance, SHG will commit to providing a slate of community services and benefits at their location for a period of 10 years that would be memorialized in a restrictive covenant on the grant deed when purchased.

The use of revenue received from the disposition of redevelopment agencies' fixed assets for the acquisition and development of the Ocean Queen for the purpose of securing a commercial component that provides community services and benefits is consistent with the Board approved policy for use of these funds for socio economic benefits to disadvantaged communities. In addition, pursuant to Government Code section 26227, the Board may expend money for projects or programs which will serve the social needs of the County, and the County may contract with non-profit entities for those projects or programs. The purpose of this recommended action is to contribute funding to serve the social needs of the County.

**I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:**

1. Direct the Chief Executive Officer to return to the Board with an appropriation adjustment or other recommended funding action, and authorize her to take any other necessary actions, consistent with the implementation of these recommendations.
2. Authorize the Chief Executive Officer or her designee to enter into a funding agreement with Self Help Graphics Inc. in an amount not to exceed \$450,000, from revenues available to the County of Los Angeles from the sale of the Ocean Queen site located at 1300 East First Street (APN 5172-008-900; 5172-008-901; 5172-008-902), for the purchase of equipment and/or property renovations at the property located at 1300 East First Street which agreement shall ensure that funds received by Self Help Graphics are used solely for community economic benefits.