REPORT OF THE CHIEF LEGISLATIVE ANALYST

March 5, 2007

TO: Honorable Members of the Economic, Community and Economic Development Committee

FROM: Gerry F. Miller
Chief Legislative Analyst

Assignment No.: 07-03–393
C.F. No.: 06-3109

Council District 9 Constituent Center

Summary

The Community Redevelopment Agency (Agency) is seeking authorization to convey by Grant Deed the Agency owned property located at 4323 South Central Avenue (Site) to the City of Los Angeles as the location for the development of the Council District Nine Constituent Service Center (CSC). The Site is to be conveyed to the City through the Department of General Services (GSD). CSC construction is under the project management of the Bureau of Engineering (BOE). The design and construction of the building is to be LEED certified. The Grant Deed is to be conveyed at such time as the City issues a Notice to Proceed on CSC construction.

The CSC will be comprised of a 9,000 sq. ft. building, a rooftop garden, a landscaped public plaza and 40 public parking spaces. The interior space will provide:

- A public counter (Planning and Building and Safety);
- CD 9 office space;
- Office space dedicated to local non-profits; and
- Community room/kitchen for public meetings and programmed community education programs.

The Agency acquired the Site (four parcels) using a combination of Community Development Block Grant Funds (CDBG - $718,000 - Targeted Neighborhood Initiative funds) and tax increment funds ($1,500,865) for a total acquisition cost of $2,218,865 (including relocation). All site assembly activities were completed in 2004.

The City has previously allocated approximately $11.0 million in Municipal Improvement Corporation of Los Angeles funds (MICLA) for the construction of the CSC. Budgetary resources will be provided for ongoing maintenance of the facility. The CSC was designed by architect Paul Murdoch. The CSC's design and drawings have been completed as has plan check through the Department of Building and Safety. An independent constructability review has also been completed and bid documents will be released within two weeks. Project award is set for August 2007, with construction completion projected for November 2008.

The Agency will continue to maintain and secure the Site until the City issues its Notice to Proceed. Funds for such costs are contained in the Agency's FY07 Budget and Work Program. No additional Agency funds are now necessary.

The attached Finding of Benefit Resolution finds that:

1. The acquisition of the Site is of benefit to the CD 9 Project Area in eliminating one or more blighting conditions by redeveloping a site that housed dilapidated commercial/industrial properties and the enhancement of community and governmental services;
2. Other reasonable means of financing the public improvements consistent with the purposes of the redevelopment plan is available to the City; and
3. The acquisition and development of the Site is consistent with the Redevelopment Plan.

Recommendations

That the City Council:

1. Hold a public hearing and adopt the attached Joint Finding of Benefit Resolution (Attachment A) in accordance with Health and Safety Code Sections 33445 and 33679 finding that the acquisition of 4323 South Central Avenue (Site) is of benefit to the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area (CD9 Project Area); and, that there are no other reasonable means of financing available to the City, and that the acquisition of the Site and development as a Constituent Center is consistent with the CD 9 Project Area Redevelopment Plan and Five-Year Implementation Plan; and
2. Authorize the Agency's Chief Executive Officer, or designee, to execute and convey the Site by Grant Deed to the City of Los Angeles, acting by and through its General Services Department for the construction of a Constituent Service Center at the time the City is prepared to issue a Notice to Proceed.

Fiscal Impact

The construction of the proposed CSC is being financed through a prior allocation of $11.0 million in Municipal Improvement Corporation of Los Angeles funds (MICLA) (CFs 05-0600 & 05-0682). MICLA financing is an repayment obligation of the City's General Fund.

Environmental Review

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article VII 1 c (15) of the Agency CEQA Guidelines.

Paul M. Smith
Legislative Analyst

Discussion

The sole role of the Agency in this transaction was to assemble the site and convey the property to the City for the development and long-term ownership. The Agency participated n the design review process of the proposed CD 9 Constituent Service Center and presented the proposal to the CD 9 Project Area Community Advisory Committee.

In that CDBG funds were used in Site acquisition, the Community Development Department (CDD) is responsible to monitor the programming of the community spaces at the CSC on annual basis in compliance with HUD regulations for CDBG funds, including HUD National Objectives and eligibility criteria. Such compliance shall be meet through the programming of the CSC space in proportion to the CDBG funds invested in the development, as follows:

- 200 square feet of dedicated office space for community based organizations;
- 2,400 square feet of the 9,000 square foot center to include community meeting rooms and kitchen to be programmed through the activities of community members and nonprofits including public meetings, classes, programming and teaching opportunities (subject to annual review by CDD). Programming could include:
  - Fresh food cooking classes that target low-income households (Sustainable Economic Enterprises of Los Angeles);
  - Youth education and awareness (South Los Angeles Beautification Team); and,
  - Rooftop garden will service as an outdoor classroom for local school-aged children and guided educational tours.

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Attachment: Resolution.
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ATTACHMENT A

Resolution No. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, PURSUANT TO SECTIONS 33445 AND 33679 OF THE CALIFORNIA REDEVELOPMENT LAW DETERMINING THAT THE ACQUISITION OF LAND AT 4323 S. CENTRAL AVENUE FOR THE DEVELOPMENT OF A CONSTITUENT SERVICE CENTER IN THE CD9 CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA IS TO BENEFIT THE PROJECT AREA

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California (the "Agency") is engaged in redevelopment and revitalization of the CD9 Project Area pursuant to the adopted Redevelopment Plan for the CD9 Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area; and

WHEREAS, the Redevelopment of the property at 4323 South Central Avenue will assist in eliminating one or more blighting conditions by redeveloping a site that housed dilapidated commercial and industrial properties; and

WHEREAS, the Section 105 of the Redevelopment Plan calls for "Community facilities to be maintained and expanded, e.g. parks, libraries, senior and youth centers, etc;" and

WHEREAS, Section (III)(8)(a) of the Five-Year Implementation Plan for the Project Area calls for "the development of a Community Service Center at the southwest corner of 43rd Street and Central Avenue," and for the Agency to assist with site assembly through both financial and staff support; and

WHEREAS, the Redevelopment Plan for the Project Area calls for the expansion and creation of new businesses and jobs, which can be supported by easier access to information about land use and permits; and

WHEREAS, access to transit and traffic congestion makes it difficult for area residents to travel to Downtown City Hall to find information on City services;

WHEREAS, the targeted parcels for assembly required environmental remediation, including asbestos abatement for the fast food restaurant that was located on the Site and removal of hazardous materials caused by a fire at the candle shop that was located on the Site; and

WHEREAS, the assembly of the Site will allow for the City's Bureau of Engineering to complete preparation for the development of the Constituent Service Center; and

WHEREAS, the development of the Constituent Service Center will provide a public counter offering the community better access to information about City services, including land use information, obtaining permits, and other government services, will

offer a public meeting space for community-based organizations, and will create new public open spaces and a garden for community use; and

WHEREAS the Agency intends to fund a portion of the land assembly from Project Area tax increment funds and bond proceeds; and

WHEREAS the Agency used funding from the City's Targeted Neighborhood Initiative for a portion of the acquisition, and has determined that the available CDBG funds for acquisition are insufficient to meet costs, and that the MICLA bond funds available to the project are being expended for design and construction of the Constituent Service Center, leaving no other reasonable funding sources to contribute to the remaining costs of the site acquisition; and

WHEREAS, Sections 33445 and 33679 of the California Health and Safety Code requires the Agency and City to make certain findings before Agency funds may be used to pay for land acquisition for a publicly owned building; and

WHEREAS, the Commissioners of the Agency and the City Council of the City of Los Angeles, have reviewed and considered the facts and information with respect to the public improvements.

THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ANGELES AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, DO HEREBY RESOLVE AS FOLLOWS:

The City and Agency find, determine and resolve that based upon the information in the Agency Board Memorandum and recitals, above: 1) the acquisition of land at the southwest corner of 43rd Street and Central Avenue, for the development of a Constituent Service Center on that site, is of benefit to the CD9 Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area in that it will assist in eliminating one or more blighting conditions; 2) no other reasonable means of financing the public improvements consistent with the purpose of the redevelopment plan is available; and 3) the acquisition of the land the subsequent development of the Constituent Service Center is consistent with the Redevelopment Plan and the Five-Year Implementation Plan for the Project Area.

ADOPTED BY THE AGENCY: _____

ADOPTED BY THE CITY COUNCIL: _____