CRA/LA
Building communities with jobs & housing

Community Redevelopment Agency
of the CITY OF LOS ANGELES

354 South Spring Street / Suite 800
Los Angeles / California 90013-1258

T 213 977 1600 / F 213 977 1665
www.crala.org

DATE / DEC - 7 2006

FILE CODE /

CRA File No. 5031
Council District: 9
Contact Person: Jenny Scanlin
David Riccitiello
(213) 977-1710

Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: Alan Alietti, Office of the City Clerk

COUNCIL TRANSMITTAL:
Transmitted herewith, is a Board Memorandum adopted by the Agency Board on September 7, 2006 for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:
PUBLIC HEARING; ADOPT FINDINGS IN ACCORDANCE WITH HEALTH & SAFETY CODE SECTION 33445 AND 33679, AND AUTHORIZE DELIVERY OF THE GRAND DEED TO CONVEY AGENCY-OWNED PROPERTY AT 4323 S. CENTRAL AVENUE TO THE CITY OF LOS ANGELES, ACTING BY AND THROUGH TIS GENERAL SERVICED DEPARTMENT, FOR THE DEVELOPMENT AND LONG-TERM OWNERSHIP FO THE COUNCIL DISTRICT NINE CONSTITUENTS SERVICE CENTER
COUNCIL DISTIRCT 9 CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA DOWNTOWN REGION (CD9)

RECOMMENDATION
That City Council approve(s) recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW
The recommended action is statutorily exempt from CEQA pursuant to Section 15262 (Planning and Feasibility Studies) of the State CEQA Guidelines. An Environmental Impact Report (EIR) is currently being prepared for the construction and operation activities associated with the proposed Grand Avenue Project under the auspices of the Joint Power Authority.

FISCAL IMPACT STATEMENT
There is no fiscal impact to the City's General Fund, as a result of this action.

Cecilia V. Estolano, Chief Executive Officer

cc: Alan Alietti, Office of the City Clerk (Original & 3 copies-three hole punched)
Annemarie Sauer, Nancy Duong, Office of the CAO
Paul Smith, Ivania Sobalvarro, Office of the CLA
Adriana Martinez, Office of the Mayor
Neil Blumenkopf, Noreen Vincent, Office of the City Attorney

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

MEMORANDUM

6

DATE: DECEMBER 7, 2006 C93620

TO: AGENCY COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
JENNY SCANLIN, PROJECT MANAGER

SUBJECT: PUBLIC HEARING; ADOPT FINDINGS IN ACCORDANCE WITH HEALTH & SAFETY CODE SECTIONS 33445 AND 33679, AND AUTHORIZE DELIVERY OF THE GRANT DEED TO CONVEY AGENCY-OWNED PROPERTY AT 4323 S. CENTRAL AVENUE TO THE CITY OF LOS ANGELES, ACTING BY AND THROUGH ITS GENERAL SERVICES DEPARTMENT, FOR THE DEVELOPMENT AND LONG- TERM OWNERSHIP OF THE COUNCIL DISTRICT NINE CONSTITUTENT SERVICE CENTER
COUNCIL DISTRICT 9 CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA
DOWNTOWN REGION (CD 9)

RECOMMENDATIONS

That the Agency:

1. Hold a public hearing and request that the City Council hold a public hearing in accordance with Health and Safety Code Sections 33445 and 33679;

That the Agency, subject to City Council review and approval:

2. Adopt, and request that the City Council adopt, the 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, (the "Site," see Attachment B) is of benefit to the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area ("CD9 Project Area"); 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 Service Center (CSC) is consistent with the Redevelopment Plan and Five-Year Implementation Plan for the CD9 Project Area;

3. Authorize the 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 the Constituent Service Center at the time the City is prepared to issue its Notice to Proceed.

SUMMARY

The recommended actions will allow the Agency to transfer fee title of the Site, located at 4323 South Central Avenue, to the City of Los Angeles, acting by and through its General Services Department (GSD). The Site will be developed as the Council District Nine Constituent Service Center (CSC), and the City's Bureau of Engineering (BOE) is the project manager for the Development. When completed, the CSC will offer a 9,000 square foot building, a rooftop garden, a landscaped public plaza, and 40 public parking spaces. Within the building, there will be a public counter offering local access to City services including the Planning and the Building and Safety Departments. There will also be office space for the 9th District Councilmember, 200 square feet of office space dedicated for use by local non-profits, and a community room and kitchen that will be open for public meetings and various planned community education programs. The community room will also be the location of the Community Advisory Committee meetings for the CD9 Project Area. The design and construction of the CSC will be LEED certified.

In 1997 the Agency received CDBG funds through the Targeted Neighborhoods Initiatives Program (TNI), to improve public space and services along the historic Central Avenue corridor. Acquisition of land for the CSC was prioritized as an activity and the Agency used $718,000 in CDBG funds and $1,500,865 in tax increment to acquire four targeted parcels, and also to pay for all relocation activities. Total acquisition costs were $2,218,865, and all acquisition activities were completed by 2004.

Once acquisition was completed, the Agency began working with the City Council Office and other key City departments to identify funds for design and construction. The City has secured $11 Million in MICLA bond funds for the construction of the Site, and the City will identify funds for ongoing annual maintenance once the CSC is completed. The City of Los Angeles' Bureau of Engineering is managing the development of the Site. The architect for the CSC is Paul Murdoch, and the design plans have been completed and submitted for permits. No additional Agency funds will be used for the development or long-term maintenance of the CSC.

The Agency has agreed to transfer ownership of the Site at the time building permits are issued for construction. The project has completed design development and plan check, and BOE is currently sending the design out for an independent constructability review. This review is expected to be complete by mid-November and any recommended changes will be made and permits pulled by early December. Once the permits are pulled, BOE will solicit bids for construction of the project. Construction is expected to begin in March 2007 and will last 18 months. The construction will comply with prevailing wage requirements and will be monitored by the City.

Until the site is transferred, the Agency will continue to maintain and secure the properties. Once a Notice to Proceed is issued, the Site will be deeded to the City and maintenance responsibilities and costs will transfer to the selected contractor. GSD will have long-term responsibility for maintenance upon completion of construction. The CD9 Project Area's FY07 budget includes funds for maintenance of the Site, therefore no budgetary actions are required.

Pursuant to Sections 33445 and 33679 of the California Redevelopment Law, the Agency, with the consent of the legislative body, may expend tax increment funds to pay all or a part of the value of the land and/or construction of any publicly owned building within or without the Project Area, if the legislative body can make certain findings. The resolution, included as Attachment A, finds that: 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 by redeveloping a site that housed dilapidated commercial and industrial properties and meeting the Project Area's needs for additional community and government services; 2) no other reasonable means of financing the public improvements consistent with the purpose of the redevelopment plan is available to the City, as the project was not awarded sufficient CDBG fund to complete acquisition activities and all other public sources available were put into the actual design and construction of the facility; and 3) the acquisition of the land and subsequent development of the Constituent Service Center is consistent with the objectives laid out in Section 105 of the Redevelopment Plan, and Section II.A. of the subsequent Five-Year Implementation Plan for the Project Area, which call for expanding community facilities.

RE

June 6, 2002: Public Hearing – Resolution of Necessity to Initiate Condemnation Proceedings to Acquire a Parcel in the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area for the Proposed Development of a Community Service Center with a Related Commercial Component.

SOURCE OF FUNDS

No additional Agency funds are required for the recommended actions.

PROGRAM AND BUDGET IMPACT

Funds to cover maintenance until a notice to proceed is issued are already budgeted in FY07 under objective C93620.

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.

BACKGROUND

The City Council originally approved the Targeted Neighborhood Initiatives Program (TNI) in December 1997, and the historic Central Avenue Corridor was a designated TNI area. The Constituent Service Center (originally named the Community Service Center) was one of a number of projects funded through the TNI program to improve public space and services along Central Avenue. The CSC was envisioned to provide a one-stop location for City services to the community, with community space that would both serve and benefit the community. The current concept for the CSC includes approximately 9,000 square feet of space for one-stop City-related offices and services, community rooms for meetings and educational programs, a dedicated office space for local nonprofits, a public plaza area, and a rooftop garden that will be open to the public and will offer educational programming.

The Agency used $718,000 in CDBG funds for acquisition and relocation costs associated with acquiring property along Central Avenue for development of the CSC. The CDBG funds were supplemented with $1,500,865 in tax increment. It was never the intention for the Agency to

develop or own the site, but rather to assemble the land and convey it to the City for development and long-term ownership. The Agency did participate in design review, and the design was presented to the CD9 Project Area Community Advisory Committee.

Because CDBG funds were used in the acquisition of the site, the Community Development Department is responsible for monitoring annual programming of the CSC, to ensure compliance with HUD regulations for CDBG funds, which includes meeting a HUD National Objective and eligibility criteria. CSC will meet the HUD National Objective and eligibility criteria through the following programming of the portion of the total Site space that is at least in proportion to the CDBG funds invested in the development:

- The building will include at least 200 square feet of dedicated office space for community-based organizations.

- Twenty four hundred (2,400) square feet of the 9,000 square foot center will be developed with meeting rooms and a full kitchen. Community members and nonprofits will be given access to the community space on a first come first serve basis for public meetings, classes, programming and teaching opportunities. Programming will be subject to the review of CDBG eligibility by the Community Development Department prior to program implementation on an annual basis. Proposed programming in the community room includes but is not limited to:

    - A fresh food cooking class operated by Sustainable Economic Enterprises of Los Angeles that will target low income families in the immediate area.

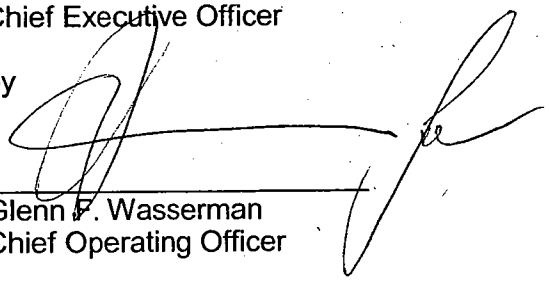
    - The South Los Angeles Beautification Team will be using the room to do youth education/awareness programs. The programs will vary from learning the history of the Central Avenue corridor to self improvement programs like how to write a resume and prepare for a job interview.

    - There will be a rooftop garden that will serve as an outdoor classroom for local school-aged youth and guided educational tours for all community members.

Councilmember Perry and the CD9 Project Area Community Advisory Committee support the development of the CSC and the recommended actions.

Cecilia V. Estolano
Chief Executive Officer

by



Glenn F. Wasserman
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any Agency officer or employee concerning this action.

Attachment A – Sections 33445 and 33679 Finding of Benefit Resolution
Attachment B – Site Location Map

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: _____

Council District 9 Recovery Redevelopment Project Area — CRA/LA

Proposed Community Center
4323 S. Central Ave.

