

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

May 30, 2017

Next Steps for the Florence Library, Florence Avenue Affordable Housing Project and South Los Angeles Registrar-Recorder’s District Office

On February 21, 2017, the Board of Supervisors (Board) approved a Zone Change to change two parcels zoned C-2 (Neighborhood Business Zone), Assessor Parcel Numbers 6021-016-009, and 6021-016-901, and to change one parcel, zoned IT (Institutional Zone), Assessor Parcel Number 6021-016-900, to the MXD Zone (Mixed Use Development Zone) on a property located at 1600-1610-1616 E. Florence Avenue, Los Angeles, in the unincorporated community of Florence-Firestone (Project Site) to bring the Project Site into conformance with the General Plan land use policy designation for the parcels, which are Mixed Use (MU) and Public and Semi-Public (P).

This was initiated by AMCAL Florence Fund, LP (AMCAL), an affordable housing developer, which proposed to replace the 5,124 square foot County of Los Angeles’ (County) Florence Library located at 1610 E. Florence Avenue, Los Angeles (Florence Library Parcel), the adjacent public parking lot owned by the Community Development Commission (Commission) located at 1616 E. Florence Avenue, Los Angeles (Commission Property), as well as the privately owned Shoe City parcel, for which AMCAL has an exclusive option to purchase, with a new 10,000 square foot public library and community meeting room on the ground floor of the Project Site, and

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116 units of affordable housing and one manager's unit on the four upper floors (the Project).

However, upon additional review and analysis, the existing Florence-Firestone Community Service Center (CSC) appears to be a more suitable location to establish a modern and larger public library to serve the needs of the surrounding community. The CSC, which is located at 7807 Compton Avenue, Los Angeles, 0.7 miles away from the Florence Library, currently houses the Department of Workforce Development, Aging and Community Services (WDACS), a District Office of the Registrar-Recorder/County Clerk (RR/CC), and a District Office of the Second Supervisorial District.

There is an opportunity to reconfigure the CSC building to allow for the development of a 7,100 square foot public library on the ground floor, and a 2,000 square foot state-of-the-art community room that would be shared with WDACS on the upper floor. The co-location of these departments within this facility will allow for synergistic and collaborative programming and space efficiencies. Furthermore, renovation of this facility could be completed at substantially less cost than building a brand new public library as part of the Project, while still accommodating the proposed increased square footage for the new library and maintaining WDACS' current programming levels.

In lieu of a new library as part of the Project, AMCAL proposes developing a 1,850 square foot workforce development center on the ground floor of the Project which would be utilized by WDACS. As part of AMCAL's construction of the Project, AMCAL would bear the costs of constructing WDACS' new ground floor space, including all tenant improvements. WDACS would enter into a Memorandum of Understanding with AMCAL which will provide WDACS, or its contractors, with gratis use of the aforementioned ground floor space of approximately 1,850 square feet at 1600-1616 E. Florence Avenue, Los Angeles, with AMCAL bearing the cost of all tenant improvements for WDACS, and allows WDACS to operate the space in furtherance of the County's workforce development goals. WDACS would be solely responsible for

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operating costs associated with their use. Consistent with the initial plan, the Project would still include the construction on the upper floors of the building of 116 affordable housing units, plus one manager's unit. To most efficiently facilitate the development of this much-needed affordable housing, the County should transfer the Florence Library Parcel to the Commission, which can then enter into a Disposition and Development Agreement (DDA) with AMCAL. Pursuant to Government Code section 26227, the Board has the authority to convey real property not needed for County purposes to public agencies for the operation of programs which serve public purposes and are necessary to meet the social needs of the population of the County.

In addition, AMCAL will pay \$1,000,000 for the purpose of relocating the Florence Library to the CSC building, which funds can be used to partially offset the costs of renovations at the CSC (Relocation Funds). AMCAL will pay the \$1,000,000 to Commission pursuant to the terms of the DDA and the Commission will transfer such funds to County.

In order to facilitate the new composition of uses at the CSC, it is necessary to relocate the RR/CC District Office. An alternative location has been identified in a long-time vacant storefront in the County-occupied building at 8300 S. Vermont Avenue (Vermont Building), Los Angeles, 2.9 miles away from the current location. Relocating the RR/CC District Office to this building will yield multiple benefits. It will allow for occupancy of a storefront space along Vermont Avenue that has been vacant since the building opened in 2006. It will also create a transit-accessible and more visible location for the RR/CC District Office, which is of similar size to its current operation.

The Treasurer and Tax Collector has been negotiating a refinancing of the bonds issued in connection with the Vermont Building, which creates an opportunity for a County savings in rent costs for the County departments that currently operate out of the Vermont Building, including the Departments of Children and Families Services, Public Social Services and Child Support Services. As part of the refinancing and accompanying lease amendment, the building owner is willing to contribute \$50,000

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toward tenant improvements for the RR/CC's space. Approximately \$90,000 of additional funds will be required for the full build-out of that space. The Chief Executive Officer anticipates returning to the Board at a future date to request separate authorization to execute the lease amendment regarding the relocation of RR/CC to the Vermont Building, and the Treasurer and Tax Collector also anticipates returning to the Board at a future date to request separate authorization to complete the refinancing of the bonds issued in connection with the Vermont Building.

In summary, proceeding with the relocation of the Florence Library to the CSC building, creating a new workforce development center and building 116 units of affordable housing plus one manager's unit on Florence Avenue in Florence-Firestone, and relocating the RR/CC District Office to the Vermont Building, will all advance the County's goals of creating high quality public amenities and increasing the supply of affordable housing.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Find that the proposed AMCAL Florence Fund, LP (AMCAL) Affordable Housing Project (Project) located at 1600-1610-1616 E. Florence Avenue, Los Angeles, in the unincorporated community of Florence-Firestone, as modified, has no significant impacts, and the Project is still consistent with the Community Development Commission's (Commission) finding adopted by the Board of Commissioners on February 14, 2017 that the Project is exempt from the provisions of the California Environmental Quality Act (CEQA) in accordance with State CEQA Statute section 21155.1 and the State CEQA Guidelines section 15061(b)(3);
2. Find that the proposed relocations of the Florence Library to the Community Service Center (CSC) building and the RR/CC District Office to the Vermont Building are categorically exempt from CEQA pursuant to Section 15301 of the State CEQA Guidelines (Class 1 - Existing Facilities);

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3. Find that the Florence Library Parcel, located at 1610 E. Florence Avenue, Los Angeles, is not currently needed for any County purpose, and that the transfer of the Florence Library Parcel to the Commission will contribute to meeting the social needs of the County to create much-needed affordable housing and furthering workforce development goals;
4. Authorize the Chief Executive Officer, or her designee, to execute the quitclaim deed and other ancillary documentation approved as to form by County Counsel that is necessary to effectuate the transfer of the Florence Library Parcel to the Commission, and to take any other actions necessary and appropriate to implement and effectuate such transfer in accordance with Government Code section 26227;
5. Authorize the Chief Executive Officer, or her designee, to negotiate and execute, and if necessary, amend or terminate for convenience, a Funding and Transfer Agreement between the County and the Commission following approval as to form by County Counsel, for the transfer of the Florence Library Parcel to the Commission and transfer of the Relocation Funds from the Commission to the County;
6. Authorize the Chief Executive Officer, or her designee, to accept \$1,000,000 from the Commission, as specified in the Funding and Transfer Agreement between the Commission and County, for the relocation and renovation of the Florence Library, which funds will be transferred from the Commission to the County promptly after receipt from AMCAL;
7. Establish a Capital Project, with an estimated budget of \$5,005,000 which includes a \$750,000 allowance for furniture, fixtures, and equipment for the new library and direct the Director of the Department of Public Works, or his designee, to initiate efforts to renovate the Florence-Firestone CSC to accommodate an approximately 7,100 square foot library and shared community room, using \$700,000 of Cy Pres funds allocated for the Florence Library,

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\$1,000,000 in Relocation Funds paid to the County by the Commission pursuant to the terms of the Funding and Transfer Agreement and \$3,305,000 of Utility User Tax revenue allocated for use in the Second District allocated in the Provisional Financing Uses budget unit. The Director of the Department of Public Works shall return to the Board to obtain necessary approvals prior to proceeding with the renovation of the site;

8. Direct the Chief Executive Officer, or her designee, to develop a fair cost allocation model to apportion the maintenance costs for the common areas and shared use of the Community Meeting Room in the CSC building;
9. Authorize the Chief Executive Officer, or her designee, to commence negotiating the terms of a lease amendment to relocate RR/CC to the Vermont Building;
10. Authorize the transfer of \$90,000 of 2nd District unallocated funds available in the Provisional Financing Uses budget unit into the Rent Expense budget for purposes of completing the tenant improvements for RR/CC at 8300 S. Vermont Avenue, Los Angeles; and
11. Delegate authority to the Director of the Department of Workforce Development, Aging and Community Services (WDACS) in coordination with the Chief Executive Officer to enter into a Memorandum of Understanding with AMCAL that provides WDACS, or its contractors, with gratis use of approximately 1,850 square feet of ground floor space at 1600-1616 E Florence Avenue, Los Angeles, with AMCAL bearing the cost of all tenant improvements for WDACS, and allows WDACS to operate the space in furtherance of the County's workforce development goals.

I FURTHER MOVE THAT THE BOARD, ACTING AS THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Find that AMCAL Affordable Housing Project as modified has no new significant impacts and is still consistent with the Commission's finding adopted by the Board of Commissioners on February 14, 2017 that the Project is exempt from

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the provisions of the California Environmental Quality Act (CEQA) in accordance with State CEQA Statute section 21155.1 and the State CEQA Guidelines section 15061(b)(3);

2. Authorize the Executive Director, or his designee, to accept the Florence Library Parcel pursuant to Government Code section 26227;
3. Authorize the Executive Director, or his designee, to negotiate, execute, and if necessary, amend or terminate for convenience, a Disposition and Development Agreement for the land donation to AMCAL, and all related documents for the disposition of two Commission-owned properties located at 1610 E. Florence Avenue and 1616 E. Florence Avenue (collectively, Properties) and any documents necessary to complete the development of affordable housing, following approval as to form by County Counsel;
4. Authorize the Executive Director, or his designee, upon execution of the Disposition and Development Agreement (DDA), to proceed with the donation of the Properties to AMCAL, including execution of a Grant Deed, following approval as to form by County Counsel;
5. Authorize the Executive Director, or his designee, to negotiate, execute, and if necessary, amend or terminate for convenience a Funding and Transfer Agreement with the County for the transfer of the Florence Library Parcel and subsequent transfer of the \$1,000,000 in Relocation Funds from the Commission to the County;
6. Authorize the Executive Director, or his designee, to accept and incorporate into its Fiscal Year 2017-2018 approved budget the amount of \$1,000,000 from AMCAL for the purpose of relocating the Florence Library to the CSC building, pursuant to the terms of the DDA;
7. Authorize the Executive Director, or his designee, to transfer the amount of \$1,000,000, received from AMCAL for the purpose of relocating the Florence

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Library to the CSC building, consistent with the terms stated above and pursuant to the Transfer and Funding Agreement; and

8. Authorize the Commission's Executive Director, or his designee, to execute any future amendments to the Section 108 Contract for Loan Guarantee Assistance and all related documents and to take all HUD-required actions to modify loan conditions and financing for the purposes described above, following approval as to form by County Counsel.

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