

ITEM #3 AND #4

Ann Sewill, General Manager
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City of Los Angeles



Karen Bass, Mayor

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Date: August 23, 2023

To: Connie Llanos, Interim Executive Director, LADOT
Board of Transportation Commissioners

Subject: **DEVELOPMENT OF AFFORDABLE HOUSING AT DOT PARKING LOT 658 (AKA GRACE VILLAS PROJECT); OTHER LINCOLN HEIGHTS DOT PARKING LOTS 697, 659, 661 AND 660 IN COUNCIL DISTRICT ONE**

RECOMMENDATIONS

A. That your Board:

1. RECOMMEND that the City Council:

- a. APPROVE the terms of the existing Exclusive Negotiating Agreement (ENA) by and between the City of Los Angeles, acting by and through LAHD, LADOT, Women Organizing Resources Knowledge & Services (WORKS) and GTM Holdings, LLC, for the five LADOT Lots (#s 658, 659, 660, 661, and 697), that had an original expiration date of August 4, 2023;
- b. AUTHORIZE the General Managers of LAHD and LADOT, or designee(s), to enter into a reinstated and amended ENA with Women Organizing Resources Knowledge & Services (WORKS) and GTM Holdings, LLC, subject to review and approval as to form by the City Attorney, that will be effective retroactively from August 4, 2023, for a one-year term expiring on August 4, 2024.

B. That your Board forward two copies of this report and attachments to the City Council forthwith for their approval.

INITIATED BY

On July 25, 2016, the City Administrative Officer (CAO) released a Request for Qualifications/Proposals related to the disposition and development of five sites owned by the LADOT (Lots 658, 659, 660, 661 and 697) to maximize the use of public land for the development of affordable housing. After reviewing and scoring each proposal, LAHD recommended the selection of the Women Organizing Resources Knowledge & Services (WORKS) and GTM Holdings, LLC (jointly, the "Grace Villas Developers") for the of development of the sites. On December 13, 2017, the City Council and Mayor approved this selection

and authorized LAHD to execute an ENA with the Grace Villas Developers team (C.F. No. 16-0600-S145) for the development of housing projects at the five sites. LAHD, in coordination with its consultants, negotiated key business terms and conditions for the Grace Villas Project located at one of the five sites with an address of 216-224 South Avenue 24. These key terms and conditions were subsequently approved by LAHD and agreed to by the development team.

BACKGROUND

In response to the City's affordable housing crisis and to meet the City's objective of creating new affordable housing, the LAHD created the Land Development Unit to develop publicly-owned land into affordable housing. The unit staff oversee the disposition of properties transferred to LAHD from the former Community Redevelopment Agency of Los Angeles (CRA/LA), the Los Angeles Department of Transportation (LADOT), as well as surplus land identified by the Office of the City Administrative Officer (CAO) as part of the Affordable Housing Opportunity Sites (AHOS) program, and leverages such properties for the creation of affordable or supportive housing across the City.

LADOT owns the property consisting of five (5) non-contiguous sites located in the Lincoln Heights neighborhood of Council District 1, with parcels at:

- 1) 216-224 South Avenue 24, also known as the Grace Villas Project (LADOT Lot #658),
- 2) 2331-2337 North Workman Street and 2332-2338 North Daly Street (LADOT Lot #659),
- 3) 154-164 South Avenue 24 (LADOT Lot #660),
- 4) 2416-2422 North Workman Street (LADOT Lot #661), and
- 5) 2332-2340 North Workman Street (LADOT Lot #697),

The five sites were designated as Affordable Housing Opportunity Sites (AHOS) on July 15, 2016 (C.F. No. 16-0600-S145). The CAO created the AHOS program to identify City-owned properties for potential use as affordable housing. Once these properties have been evaluated and approved by Council and the Mayor, the LAHD leads the development of these properties into affordable housing.

DISCUSSION

While the Grace Villas Developers have moved forward with developing the Grace Villas Project ("Project") only, they will move forward with the remaining four sites upon conclusion of their evaluation of additional due diligence items related to the LADOT existing parking spaces. The Grace Villas Project located at 216-224 South Avenue 24, APN 5204-005-901 (LADOT Lot #658) will provide 48 dwelling units of which 47 units will be designated as affordable housing units, of which 22 units will be restricted to special needs households. On December 21, 2022, the Director of Planning of the LA City Planning Department approved the Grace Villas Developers' request for a land use entitlement to allow the site to be developed with the proposed 48-unit project through the Transit Oriented Communities Program under DIR-2022-7634-TOC-CDO-PHP-HCA. On April 25, 2023, the City Council and Mayor approved the admittance of the Grace Villas project into the LAHD's Affordable Housing Managed Pipeline (C.F. No. 22-0876-S1).

On June 30, 2023, the City Council and Mayor approved an LAHD funding award of \$5,706,050 in support of the Project (C.F. No. 22-0876-S2). In response to the Notice of Funding Availability or "Super NOFA" issued by the State of California Housing and Community Department, on July 12, 2023, the developers for the Project submitted an application for funding from the Multifamily Housing Program (MHP) and the Veterans Housing and Homelessness Prevention Program (VHHP) for a combined request of \$11,994,920. The MHP regulations state that if an applicant's ENA documentation will or may expire prior to the anticipated date of the program award as specified in the Super NOFA, the Applicant will satisfy the threshold requirement so long as evidence of a valid extension is submitted during the application review period. LAHD anticipates that the HCD Super NOFA review period will end on October 31, 2023.

Respectfully submitted,



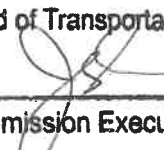
ANN SEWILL
GENERAL MANAGER, LA HOUSING DEPARTMENT

ATTACHMENTS

Attachment A: Exclusive Negotiating Agreement

Attachment B: Draft Exclusive Negotiating Agreement

cc: Councilmember Eunisses Hernandez, Council District 1

Approved: <u>8/28/2023</u>
Board of Transportation Commissioners

Commission Executive Assistant