



Next stop: building communities.

Chavez/Fickett Joint Development

Planning & Programming Committee

March 20, 2024

Legistar File# 2024-0035



Recommendation

A. AUTHORIZING the Chief Executive Officer or her designee to execute and enter into a joint development agreement (“JDA”), ground lease (“Ground Lease”), and other related documents with Chavez Fickett, L.P. (“Developer”), an affiliate of Abode Communities, for the construction and operation of a mixed-use, affordable housing project (“Project”) at the corner of Cesar E. Chavez Avenue and Fickett Street in Boyle Heights;

B. AUTHORIZING a discount to the appraised fair market rental value for the Site of 67% or \$6,900,000, under the Ground Lease as set forth in the Summary of Key Terms and Conditions for the Ground Lease;

C. FINDING that the Project is exempt from the California Environmental Quality Act (“CEQA”), consistent with the environmental studies and reports set forth in Attachment B, pursuant to Sections 21080(b)(9) and 21084 of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines; and authorizing the Chief Executive Officer to file a Notice of Exemption for the Project consistent with said exemption.

Chavez/Fickett Project Overview

Developer: Abode Communities

Project Size: 1.56 acres

Units:

- > 110 total units
- > 109 affordable, 30-50% AMI
- > 1 manager's unit

Commercial: 3,000 sq ft

Parking:

- > 44 residential
- > 6 commercial

Amenities:

- > Community Garden
- > Ground Floor Commercial



View from corner of Cesar Chavez Avenue and Fickett Street facing southwest

Outreach

- 2016**
 - Community forums to inform Development Guidelines
 - Online emails and regular mail updates
 - Design Review Advisory Committee (DRAC) formed to review schematic design
 - Development Guidelines adopted by the Board (Jan. 2017)

- 2018**
 - Four developer-led workshops
 - Two DRAC meetings

- 2022**
 - Schematic Design approved by the DRAC
 - BHNC coordination culminating with a presentation and project update

- 2023**
 - Virtual meeting targeting nearby business owners and related stakeholders
 - In-person community engagement meeting to discuss design, residential programming, on-site services, and potential ground-floor commercial options

Key Terms of the JDA and Ground Lease

Key JDA Terms

- > Metro's receipt of monthly holding rent, credited to the capitalized rent due under the ground lease
- > Recovery of certain Metro support/3rd party costs via developer fee
- > Continued Metro design review/approval rights through CDs
- > Sets the conditions for execution of the Ground Lease

Key Ground Lease Terms

- > 75 Year term
- > Metro's receipt of \$3.45 million one-time capitalized rent payment, representing a \$6.9 million (or 67%) discount from FMV
- > Participation rent of 25% gross income received - commercial space
- > Affordability Restrictions effective through the Ground Lease term

Next Steps

Upon Board approval:

- > Continue neighborhood outreach and seek community input on the commercial uses
- > Secure financing and permitting approvals
- > Refine project design and satisfy conditions under the JDA
- > Execute the Ground Lease
- > Start Construction