



We're supporting thriving communities.

North Hollywood Joint Development

Planning & Programming Committee, September 2024



Recommended Actions

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) or designee to execute and enter into a Joint Development Agreement (JDA) with NOHO Development Associates, LLC, a Delaware limited liability company (Developer), an affiliate of Trammell Crow Company, and associated Ground Leases (Ground Leases) and other related documents with Developer or its affiliates or qualified transferees, for the construction and operation of a mixed-use project on up to 11.8 acres of Metro-owned property located at the North Hollywood Metro Station (Project) in accordance with the Joint Development Summary of Key Terms and Conditions (Attachment A) upon receipt of concurrence by the Federal Transit Administration (FTA) and the California Transportation Commission (CTC);
- B. DETERMINING that the Board, acting as the governing body of the responsible agency under the California Environmental Quality Act (CEQA), after consideration of the whole of the administrative record, adopts the Findings of Fact and Statement of Overriding Considerations setting forth the reasons and benefits with full knowledge that significant impacts may remain (Attachment B), and the Mitigation Monitoring and Reporting Program (Attachment C) of the City of Los Angeles Environmental Impact Report No. ENV-2019-7241-EIR which was certified on August 22, 2023; and
- C. AUTHORIZING the CEO or designee to file a Notice of Determination (Attachment D) with the Los Angeles County Clerk and the State of California Clearinghouse.



Background

2015: Development Guidelines approved by Metro Board

2016: Developer selected following competitive solicitation

2016-2024: Developer-led ongoing community outreach, holding nearly 100 individual meetings to solicit input and feedback on the Project

2022: Inflation and interest rates trigger design refinements and financial negotiations

2023: Measure ULA transfer tax takes effect

2024: City of LA Development entitlements granted



Project Rendering



Primary Development Area (Blocks 1, 2, 3, 7 & 8)

Housing on Vacant and Underutilized Property

Development:

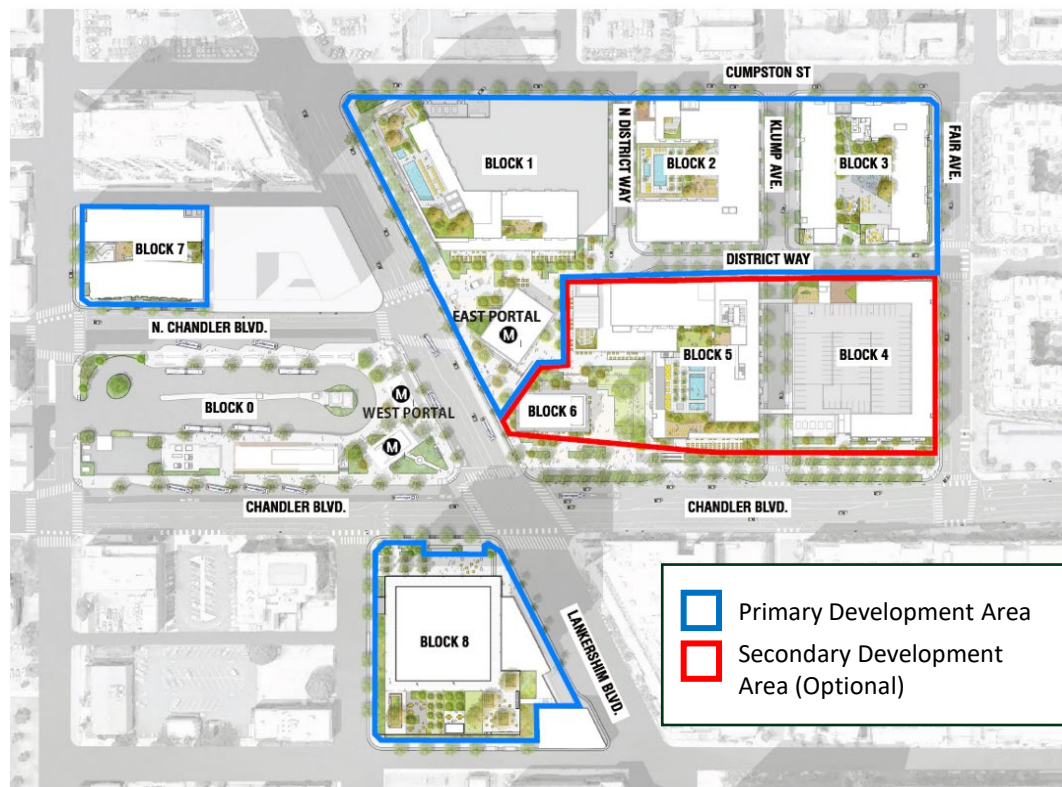
- Blocks 1 & 2: Approximately 570 apartments
 - 5% moderate-income apartments (@ 80%-120% AMI)
- Blocks 3 & 7: Approximately 311 apartments
 - 100% affordable (@ <60% AMI)
- 40,000 SF of retail space
- 400,000 SF of office space (Block 8)

Key Terms:

- No impact on bus or rail operations
- Minimum 20% affordable at all times
- First phase must be started in two years, w/ potential four-year extension
- Second phase must start within eight years, w/ potential four-year extension
- 15-year term w/ 7-year extension for unavoidable delay
- Affordability covenants span full 99-year ground lease term

Financial Consideration (est. Net Present Value):

• Non-refundable deposit	\$2,000,000
• Upfront capitalized payments	\$13,683,654
• Percentage rent	\$19,634,654
• <u>Signage revenue</u>	<u>\$2,497,918</u>
Total consideration:	\$37,816,298



Optional Secondary Development Area (Blocks 4, 5, & 6)

Transit Center Redevelopment

Development:

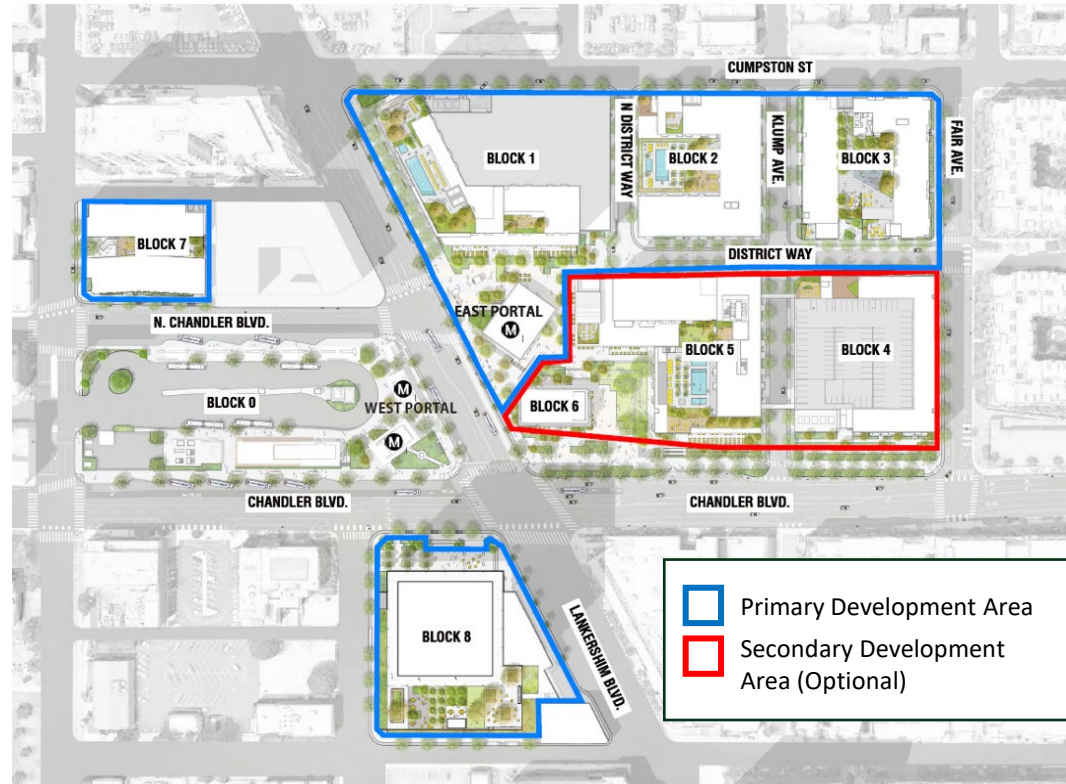
- Approximately 600 apartments
 - 5% moderate-income (@ 80% to 120% AMI)
- 20,000 SF of retail space
- Approximately 2 acres of public open space

Key Terms:

- Metro may elect to advance the transit center and development of Blocks 4, 5, & 6 at its sole and absolute discretion
- Right-of-way reserved for Metro expansion
- 99-year ground lease term

Development Revenue (est. Net Present Value):

• Participating rent:	\$6,937,725
• <u>Signage revenue:</u>	<u>\$634,523</u>
Total consideration:	\$7,572,248



Next Steps

- Metro Review of Design Development and Construction Drawings
- Developer seeks funding for affordable and mixed-income developments
- Board consideration of policy updates to accommodate SLA exemption
- Upon satisfaction of closing conditions under the JDA, Metro and Developer execute ground leases for first affordable and first mixed-income blocks
- Metro staff continues transit center design work



Project Rendering