



Board Report

File #: 2015-1434, File Type: Agreement

Agenda Number: 14.

PLANNING AND PROGRAMMING COMMITTEE NOVEMBER 18, 2015

SUBJECT: METRO GOLD LINE - 1st AND SOTO AND CESAR CHAVEZ AND SOTO JOINT DEVELOPMENT PROJECTS

ACTION: AUTHORIZE EXECUTION OF AMENDMENT TO SHORT TERM EXCLUSIVE NEGOTIATION AGREEMENT FOR 1ST AND SOTO AND AUTHORIZE EXECUTION OF AN EXCLUSIVE NEGOTIATION AGREEMENT FOR CESAR CHAVEZ AND SOTO JOINT DEVELOPMENT PROJECTS

RECOMMENDATION

AUTHORIZING the Chief Executive Officer (CEO) to:

- A. AMEND the existing Short Term Exclusive Negotiating Agreement with **Bridge Housing Corporation/East LA Community Corporation for the property at 1st and Soto**; and
- B. EXECUTE an Exclusive Negotiating Agreement with **Abode Communities for the property at Cesar Chavez and Soto**, for 18-months with the option to extend up to 30 months.

ISSUE

In December 2013 the Joint Development team issued separate Requests for Proposals ("RFPs") for three Metro-owned sites in Boyle Heights. Two of the RFPs solicited real estate development proposals for the Development Sites are depicted in Attachments A & B.

At the March 2015 board meeting of the Planning and Programming Committee, the joint development team was authorized to enter into six-month "Short Term" Exclusive Negotiating Agreements ("Short Term ENA") with Bridge/ELACC for property at 1st and Soto, and with Abode for property at Cesar Chavez and Soto, in order to initiate the community outreach process for the proposed mixed-use affordable housing projects located at each site. Since March, the community outreach process has been comprehensive and successful. On October 28, 2015 Abode presented their project to the Boyle Heights Neighborhood Council (BHNC). The BHNC approved having the project move forward and enter into an ENA with Metro. The project at 1st and Soto will go before the BHNC early next year; however the current Short Term ENA will expire on December 26, 2015.

DISCUSSION

1st and Soto Site

The Development Site (Attachment A) is situated immediately adjacent to the Metro Gold Line Soto station on the southwest corner of 1st and Soto streets. The Site totals 1.09 acres, is generally flat and rectangular in shape and contains the portal to the subterranean Gold Line Soto station and a large plaza providing access to the portal from 1st and Soto streets. The plaza and portal (and subterranean station improvements) encumber approximately 0.64 acres of this site. The proposal includes 49 units of affordable housing and ground floor retail. The original proposal did include a second Metro-owned site, located on the southeast corner of 1st and Soto streets totaling 0.29 acres. The developer had proposed acquiring a property adjacent to this second parcel in order to make the development of a mixed-used senior housing facility feasible; however, they were not able to acquire the property. As such, this second parcel is no longer part of the overall proposal. Additionally, the developer has been working with Metro operations staff to evaluate the feasibility of utilizing some of the plaza area closest to the proposed project for outdoor space/ landscaping so long as it does not present a conflict to the operation of the station.

Cesar Chavez and Soto Site

The Metro Gold Line Soto Station is located about one-quarter mile north of the Development Site (Attachment B) for the project at Cesar Chavez and Soto. The Site consists of the 0.60-acre vacant parcel adjacent to the southeast corner of Cesar Chavez Avenue and Soto Street, plus the adjacent 0.77-acre vacant parcel on the southwest corner of Cesar Chavez Avenue and Matthews Street. These vacant parcels were used in connection with Metro Gold Line construction and have been the site of temporary construction trailers for several years.

The proposed project by Abode is comprised of 77 affordable family apartments and approximately 8,000 square feet of ground floor commercial.

Community Outreach Efforts

Since the board took action in March 2015, both BRIDGE/ELACC and Abode have conducted extensive outreach through a series of community meetings, workshops and focus groups. They have also met with individual stakeholder groups. Below is an outline of activities:

1. An Affordable Housing Workshop 101 was held on May 7, 2015 at Casa del Mexicano in Boyle Heights. Over 200 members of the community attended the workshop;
2. A series of focus group meetings were held between June 16 and June 23, 2015:
 - Tenant Focus Group - June 16, Boyle Heights City Hall
 - Community Organizations - June 16, Boyle Hotel, Boyle Heights
 - Small Business Owners and Street Vendors - June 17, Sol y Luna Apartments, Boyle Heights
 - Arts/Culture/History Groups - June 17, Sol y Luna Apartments, Boyle Heights

- Youth and Education Groups - June 23, Sol y Luna Apartments, Boyle Heights
- Home Owners and Commercial Property Owners - June 23, Sol y Luna Apartments, Boyle Heights

3. An interactive community workshop was held on August 13, 2015 at PUENTE Learning Center in Boyle Heights. The purpose of the workshop was to present findings from the community-based focus groups and to provide additional input.

Each of the developers has been meeting with individual stakeholders in the community and has been fine-tuning their projects to better reflect stakeholder feedback.

Abode recently obtained a recommendation from the BHNC to move forward and enter into an ENA with Metro. As a result of community outreach efforts, Abode is in discussions with the Boyle Heights based nonprofit Self Help Graphics for their ground floor space, exploring the potential for a satellite youth program. Abode will continue to engage the community as they enter into this next phase with Metro. BRIDGE/ELACC is preparing to meet with the Planning and Land Use Committee of the BHNC in November and will go before the full BHNC early next year.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety. Metro's operations staff will continue to review and comment on the proposed development to ensure that the proposals have no adverse impact on the station, portal and public areas on Metro's property.

FINANCIAL IMPACT

Funding for joint development activities related to the Short Term ENA/ENA, and the proposed projects is included in the FY16 budget in Cost Center 2210 (New Business Development), under Project 610011 (Economic Development).

Impact to Budget

Metro project planning activities and related costs will be funded from General Fund local right-of-way lease revenues and any deposits secured from the Developers, as appropriate. Local right-of-way lease revenues are eligible for bus/rail operating and capital expenses. Execution of the Short Term ENA and the ENA will not impact ongoing bus and rail operating and capital budget, Proposition A and C and TDA administration budget or Measure R administration budget.

ALTERNATIVES CONSIDERED

The Board could choose not to proceed with the recommended action and could direct staff to (a) not extend the existing Short Term ENA with BRIDGE/ELACC and an ENA with Abode Communities, (b) not proceed with any of the proposed projects, or (c) not proceed with any of the proposed projects and seek new development options via a new competitive process.

Staff does not recommend proceeding with these alternatives because the recommended action:

- 1) Moves forward the project at Cesar Chavez and Soto which has received the backing of the community to enter into the next phase of negotiations with Metro and obtained approval from the BHNC and;
- 2) Adds additional time to the outreach process for the project at 1st and Soto which is integral to the community engagement process, and BRIDGE/ELACC has been thorough and committed in their outreach efforts to date. The added time will ensure that the original feedback and desires of the community stakeholders are being understood. Further, if the continued outreach and community engagement during this extension period for the Short Term ENA does not create a proposal suitable to the community or the Board for this site, the Board will be in a position to allow the extended Short-term ENA to expire.

NEXT STEPS

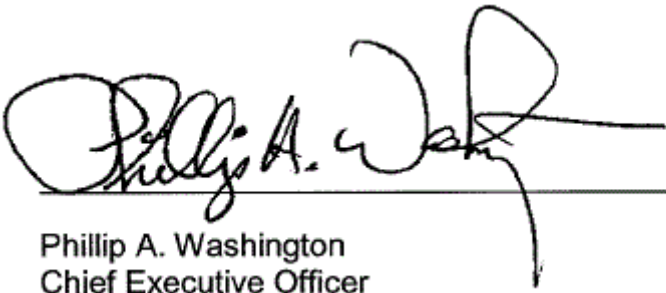
Upon approval of the recommended action, the Short-Term ENA with BRIDGE/ELACC will be amended to add an additional 6 months and will be executed; and, Metro will enter into an ENA with Abode Communities. Both the Adobe and ELACC team, together with the joint development staff, will continue the outreach and community engagement process. If successful, staff will return to the Board for the authority to execute a full term ENA with ELACC that includes the project scope defined by the community outreach process. After the initial 18-month ENA process with Abode, staff will update the Board on the status of the project.

ATTACHMENTS

Attachment A - 1st and Soto Development Site
Attachment B - Cesar Chavez and Soto Development Site

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