RESOLUTION APPROVING SUBMISSION OF AN APPLICATION FOR PROPERTY RETENTION OF MENDEZ SCHOOL PROPERTY TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

Douglas Guthrie
President & CEO

Geoffrey Moen
Director of Development Services

Purpose: Authorize the President and CEO of the Housing Authority of the City of Los Angeles (the “Authority” or “HACLA”), or designee, to submit a property retention application to the U.S. Department of Housing & Urban Development (“HUD”) that seeks removal of the Public Housing Declarations of Trust (“DOTs”) from the parcels that the Authority ground leased to the Los Angeles Unified School District (“LAUSD”) for the development of the Felicitas and Gonzalo Mendez Learning Center School (“Mendez Learning Center”).

Regarding: Pursuant to Resolution No. 9673 dated December 17, 2020, the Authority’s Board of Commissioners (“BOC”) authorized the submission of Section 18 disposition application(s) to HUD so that the Authority can convey certain non-dwelling properties to LAUSD in a fair market value exchange for LAUSD property currently part of the Pueblo del Sol I Rental Assistance Demonstration (“RAD”) redevelopment project.

Issues: The Authority has ground leased land underlying the Mendez Learning Center to LAUSD for 77 years, to be used for public schools and educational purposes. HACLA purchased the property with public housing funds, but has been unable to locate a record of HUD’s authorization for the ground lease. Staff have spoken with HUD officials regarding these circumstances who in turn have suggested use of a retention application to memorialize HUD’s authorization. HUD’s approval of the property retention application will evidence such approval and allow HUD to remove the DOT encumbering the property, thus clarifying HACLA’s responsibilities, HUD’s records and title records with respect to the property. The DOTs involved are antiquated, stemming from 1954, 1989, 1990 and 2002, and are related to the former Aliso Village public housing community and/or Hope VI redevelopment of the site now known as Pueblo del Sol.

The application proposes that in exchange for waiving repayment to HUD of the property’s cost at current fair market value, HACLA would agree to a Use Agreement restricting the property to its current use for at least thirty years. That restriction is aligned with both LAUSD’s use of the property and the term of its ground lease. The attached map shows the parcel involved.

The Authority has carried out the required consultation with the residents of the adjoining Pueblo del Sol and the Agency-wide Resident Advisory Council Leadership regarding this proposed Section 18 Disposition action through meetings in September 2021 and October
2021. Mayor Garcetti also provided the Authority with a letter in support of this action dated September 22, 2021. HACLA has specifically authorized this property retention action in its FY2021 Agency Plan.

Vision Plan:  **PLACE Strategy #2: Increase functionality and effectiveness of Asset Management Portfolio.**

The retention application approval will lead to the release the DOTs to ensure accuracy of local title records, as well as HUD’s and HACLA’s property records. The Mendez Learning Center site is integral to the larger Pueblo del Sol affordable housing community, which is undergoing significant reinvestment.

**Funding:** This transaction does not require funding.

**Environmental Review:**

*CEQA*  
HACLA served as the lead agency for the Project under the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 et seq., and the State CEQA Guidelines, Title 14 of the California Code of Regulations, section 15000 et seq. The proposed action is not subject to environmental review pursuant to State CEQA Guidelines sections 15301 (Class 1) for existing facilities, 15061(b)(3) (common sense exemption), and 15378 (not a project). The retention application would result in no physical changes in the environment within the purview of CEQA.

*NEPA:*  
Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Los Angeles Housing Department ("LAHD"), serves as the responsible entity for the Project under NEPA and concluded that this retention activity is Categorically Excluded per 24 CFR 58.35(a), and subject to laws and authorities at §58.5: (5) Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.

**Section 3:** Not applicable

**Attachments:**

1. Resolution  
2. Map showing retention property
ATTACHMENT 1

RESOLUTION
RESOLUTION NO.__________________

RESOLUTION APPROVING SUBMISSION TOOF AN APPLICATION FOR PROPERTY RETENTION OF MENDEZ SCHOOL PROPERTY TO THE U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles (HACLA) owns certain parcels underlying the Felicitas and Gonzalo Mendez Learning Center School site and has ground leased the property to the Los Angeles Unified School District for 77 years for public schools and educational purposes (LAUSD Ground Lease);

WHEREAS, HACLA purchased the property with public housing funds and the property is encumbered by Declarations of Trust (DOTs) restricting use of the property;

WHEREAS, HACLA seeks HUD removal of the DOTs, thereby clarifying HACLA’s responsibilities, HUD’s records and title records with respect to the property;

WHEREAS, to obtain HUD removal of the DOTs, HACLA must obtain HUD approval of a property retention application as envisioned by Notice PIH 2016-20; and

WHEREAS, the application would propose that in exchange for HUD waiving repayment to HUD of the property’s cost at current fair market value, HACLA would agree to a Use Agreement restricting the property to its current use for at least thirty years, with said use consistent with the LAUSD Ground Lease.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes the President and CEO, or designee, to submit an application for property retention of the Mendez School property to HUD, and to take any actions necessary to effectuate retention of that property free of the current DOT upon HUD’s approval of the application, including without limitation, the execution of any and all documents that may be required, subject to legal counsel approval.

APPROVED AS TO FORM:
JAMES JOHNSON

BY: ___________________________  BY: ___________________________
General Counsel  Chairperson

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES
ATTACHMENT 2

MAP SHOWING RETENTION PROPERTY
Mendez Center is the final phase of the Aliso Village Redevelopment project built on land assembled by LAUSD (comprising parcels ground leased from HACLA and LAUSD owned parcels).
HACLA Parcels under Retention Application

Felicitas and Gonzalo Mendez Learning Center Property Retention Application Parcels