

M E M O R A N D U M

DATE; MARCH 5, 2009 VM2040

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE  
PARTIES: CAROLYN HULL, REGIONAL ADMINISTRATOR  
CURT HOLGUIN, DEPUTY CITY ATTORNEY

SUBJECT: APPROVAL OF SETTLEMENT AGREEMENT WITH JOSEPH AND  
ROSALAE SASSON RELATED TO CRA/LA EMINENT DOMAIN  
ACTION AGAINST THEIR PARCEL LOCATED AT SOUTH VERMONT  
AVENUE AND 85<sup>TH</sup> STREET  
VERMONT/MANCHESTER REDEVELOPMENT PROJECT AREA (CD8)

RECOMMENDATIONS

That CRA/LA Board of Commissioners: (i) approve a Settlement Agreement with Joseph and Rosalie Sasson which ends the eminent domain action against their single parcel in the development site at South Vermont Avenue and 85<sup>th</sup> Street (*Community Redevelopment Agency of the City of Los Angeles v. Joseph and Rosalae Sasson, et al*, Los Angeles Superior Court Case No. BC 388497; and (ii) and authorize the Chief Executive Officer, or designee, to execute the Settlement Agreement.

SUMMARY

At its Regular Meeting of April 3, 2008, the Board adopted Resolutions of Necessity to initiate eminent domain proceedings to acquire 14 parcels of land at the development site at South Vermont Avenue and 85<sup>th</sup> Street ("Vermont Manchester site"). One of those parcels is owned by Joseph and Rosalae Sasson ("Joseph Sasson parcel"), and the remaining thirteen are owned by Eli Sasson. On April 3, 2008, complaints in eminent domain were filed by CRA/LA against Joseph and Rosalae Sasson and against Eli Sasson. All defendants were subsequently served with the complaints.

On July 16, 2008, CRA/LA deposited \$527,000 with the Superior Court as the probable amount of compensation for the Joseph Sasson parcel ("Deposited Funds"). Joseph Sasson responded that he would not challenge CRA/LA's right to take his parcel and that he intended to file an application to withdraw the Deposited Funds and continue to challenge CRA/LA's valuation of his parcel. The case was scheduled for trial in April 2009.

On January 16, 2009, Joseph Sasson agreed to settle CRA/LA's eminent domain action for \$537,000 plus statutory costs of approximately \$700 for filing fees and \$5,000 for his property appraisal. The settlement amount is \$10,000 higher than the amount of the Deposited Funds. CRA/LA's initial appraisal of the Joseph Sasson parcel was completed in February 2007 and indicated an estimated value of \$527,000. A trial appraisal of the parcel was recently completed and it estimates a value of \$487,000. However, the costs of litigation (fees for attorneys and experts) would likely exceed \$50,000 – the difference between the recent appraised value and the settlement amount.

If the Board approves the Settlement Agreement, stipulations will be prepared for the entry of judgment and withdrawal of the Deposited Funds. CRA/LA will need to pay the additional \$10,000 and the additional statutory costs of approximately \$6,000.

## RE

April 3, 2008 – Board approval of Resolutions of Necessity for Vermont/Manchester Parcels.

## SOURCE OF FUNDS

The sources of the \$543,000 to purchase the Joseph Sasson parcel are: (i) the Deposited Funds (\$527,000), and (ii) Vermont Manchester Bond Proceeds (\$16,000).

## PROGRAM AND BUDGET IMPACT

The recommended actions are consistent with the approved FY09 Vermont/Manchester Budget and Work Program.

## ENVIRONMENTAL REVIEW

The recommended actions are not a "project" for purposes of the California Environmental Quality Act. An Environmental Impact Report ("EIR") was prepared for a mixed use development proposed for the Vermont-Manchester site. The Board certified the EIR on April 3, 2008.

## BACKGROUND

A copy of the April 3, 2008 Board Memorandum, which provides a background of the eminent domain litigation, is on Attachment A hereto.

Cecilia V. Estolano  
Chief Executive Officer

By

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Glenn F. Wasserman  
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

Attachment: Attachment A – April 3, 2008 Board Memorandum