THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

M E M O R A N D U M **1**

DATE: MARCH 2, 2006

TO: AGENCY COMMISSIONERS

FROM: RICHARD L. BENBOW, ACTING CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTY: ISABEL RIVERO, DEVELOPMENT CONTROL MANAGER
CAROLYN HULL, MANAGER OF CAPITAL FINANCE
HELMI HISSERICH, REGIONAL ADMINISTRATOR

SUBJECT: PUBLIC HEARING ON A RESOLUTION OF NECESSITY TO INITIATE EMINENT DOMAIN PROCEEDINGS TO ACQUIRE FIVE PARCELS OF PROPERTY LOCATED AT 1636 & 1640 N. VINE STREET (APN 5546-029-002); 1606 N. VINE STREET (APN 5546-029-023); 6269 W. SELMA AVENUE (APN 5546-029-025); AND 1600 N. VINE STREET, 6273, 6275, & 6277 W. SELMA AVENUE (APN 5546-029-024 AND 5546-029-031); ENVIRONMENTAL ACTION FOR THE PROJECT; ADOPTION OF A RESOLUTION APPROVING AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE; AND VARIOUS ACTIONS RELATING TO THE ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $180 MILLION FOR THE HOLLYWOOD AND VINE PROJECT

HOLLYWOOD REDEVELOPMENT PROJECT AREA

HOLLYWOOD & CENTRAL REGION (CD 13)

<u>RECOMMENDATION</u>

That the Agency:

1. Hold a public hearing and adopt a Resolution of Necessity ("RON"), (Attachment A), to acquire parcels 5546-029-002; 5546-029-023, 5546-029-025, 5546-029-024 and 5546-029-031, also identified as 1636 & 1640 N. Vine Street; 1606 N. Vine Street; 6269 W. Selma Avenue; 1600 N. Vine Street, and 6273, 6275, & 6277 W. Selma Avenue ("Subject Parcels");

2. Adopt the attached Resolution, (Attachment B), making certain findings, readopting a Statement of Overriding Consideration, and certifying that the November 2005 Addendum to the Final Environmental Impact Report (FEIR) for the Hollywood Redevelopment Plan Amendment prepared for the proposed project:

   a. Has been prepared in accordance with California Environmental Quality Act (CEQA) and State and Agency Guidelines,
   b. Has been reviewed and considered by the Agency Commissioners; and
   c. That it represents the Agency's independent judgment and analysis;

3. Adopt the attached Resolution, (Attachment C), approving an application to the California Debt Limit Allocation Committee ("CDLAC") and affirming the intent of the Agency to issue tax-exempt multifamily housing revenue bonds (the "Bonds") to finance acquisition, construction and/or rehabilitation activities in an amount not to exceed $180 million for the multifamily portion of the Hollywood & Vine Project (the "Project") subject to the Agency's subsequent approval of financing documents for the Bonds;

4. Authorize staff to conduct a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for issuance of the Bonds for the Project in accordance with federal tax requirements with the Acting Chief Executive Officer or designee serving as hearing officer, and transmit the public testimony to the City Council;

5. Authorize the appointment of Fulbright & Jaworski L.L.P. as Bond Counsel for an amount not to exceed $68,000 including reimbursable expenses for bond counsel services relative to the proposed issuance and sale of the Bonds for the Project;

6. Authorize the appointment of Newman & Associates, Inc. as Underwriter of the Bonds, with compensation in an amount not to exceed $7.50 per $1,000 of Bonds issued to serve as senior manager and 12 and 1/2 basis points (0.125%) of the par amount of Bonds outstanding per year for remarketing services in connection with the proposed issuance, sale and remarketing of the Bonds; and

7. Authorize Agency staff to appoint, subject to Board ratification, a Financial Advisor from the Agency's list of qualified firms to provide financial advice and analysis to the Agency in connection with the structuring, issuance and sale of the Bonds.

That the City Council:

8. Adopt the attached form of Resolution, (Attachment D) accepting the TEFRA hearing testimony and authorizing the issuance of up to $180 million of Bonds, subject to subsequent Agency review and approval of final bond financing documentation.

SUMMARY

The recommendation requests that the Agency Board adopt a RON to acquire the Subject Parcels by condemnation, for the elimination of blight and the implementation of the Project. The total number of residential units have not been finalized, however, the current program consists of approximately 375 apartment units including 79 units (over 20% of the total number of proposed apartment units) that will be affordable to very low, low and moderate income residents; a 300-room hotel: and ancillary restaurant, retail and spa uses with approximately 150 condominium units and approximately 61,500 square feet of retail/restaurant space. The Project will have between 1,268 and 1,311 parking spaces including 589 spaces for residents of the apartment units, 244 spaces for residents of the condominium units and between 435 and 478 spaces for the hotel and retail uses. The site, which is located near Hollywood Boulevard and Vine Street, is approximately 4.6 acres. Adoption of the RON will permit staff to actively pursue the Project in a timely manner. The parcels lie within the Hollywood Redevelopment Project Area ("Project Area"). The Redevelopment Plan for the Project Area ("Redevelopment Plan") was adopted by City Council on May 7, 1986 by Ordinance No. 161202 and amended by City Council by Ordinance No. 175236, which became effective on July 12, 2003. The adoption and amendment to the Redevelopment Plan conclusively established the findings of blight as required by California Redevelopment Law.

The proposed RON sets forth four findings to be made by the Agency Board: 1) whether the public interest and necessity require the Project; 2) whether the Project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury; 3) whether the Subject Parcels are necessary for the Project; and 4) whether the offer required to be made by Section 7267.2 of the Government Code has been made to the owner or owners of record, or the offer has not been made because the owner(s) cannot be located with reasonable diligence. A two-thirds vote of the members of the Agency Board is required to adopt the proposed RON. Staff recommends that the Agency Board make these four (4) findings based on the following:

First: The public interest and necessity require the Project. The Project is located on a portion of the block bounded by Hollywood Boulevard on the north, Vine Street on the west, Selma Avenue on the south, and Argyle Avenue on the east (Attachment E). The Project will promote the goals of the Redevelopment Plan and eliminate blight. The Project will serve to eliminate the factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots as set forth below. The Project will provide necessary affordable housing.

The following factors of physical and economic blight are found within the Project block:

- The properties to be acquired are irregular in shape and are not sufficiently large to be economically attractive so as to attract the capital necessary for economic development to current market standards and conditions. Moreover, the retail buildings that are present on APN 5546-029-002 (Blue) and 5546-029-024 (HJT) were developed with little or no on-site parking. Current standards call for 3 parking spaces per 1000 square feet of retail improvements. This standard would necessitate about 24 parking spaces for the Blue property. The 14 tandem parking spaces located at the near of the Blue property are not accessible from Vine Street and there are no easements of record for access. The off-site parking which is “covenanted” for the HJT property is located a considerable distance away, in the parking garage located to the southwest of the corner of Vine Street and Selma Avenue.

- There are excessive vacant lots within the Project block even though the properties are located within an area developed for urban use and served by utilities.

- The majority of the properties located within the Project block are either vacant or serve as parking lots:

  5546-029-900 (MTA)
  5546-029-901 (MTA)
  5546-029-043 (Ramsey Shilling)
  5546-029-044 (Ramsey Shilling)
  5546-029-911 (MTA)
  5546-029-031 (Clark)
  5546-029-916 (MTA)
  5546-029-915 (MTA)
  5546-029-914 (MTA)
  5546-029-913 (MTA)
  5546-029-912 (MTA)

The proposed Project will also implement the goals of the Redevelopment Plan by:

a. Improving the quality of the environment and promoting a positive image for Hollywood;

b. Promoting development within the commercial core as a unique place which reflects Hollywood's position as the center of the entertainment industry and a tourist destination;
c. Providing housing choices that improve the quality of housing for all income and age groups;
d. Supporting and encouraging circulation that improves the pedestrian experience, and the automobile and mass transit systems, including the on-site MTA portal and the bus transit layover facility;
e. Revitalizing Hollywood by providing economic incentives to rehabilitate vacant and deteriorated historic buildings to stimulate economic vitality and reinvestment;
f. Improving, increasing and preserving the availability and quality of affordable housing;
g. Promoting the development of new housing offering a wide range of types, prices, rent levels and ownership options to meet the needs of the community; and
h. Enhancing the land use and economic development goals of surrounding communities while conforming to local and regional development plans.

Second: The Project is planned and located in a manner consistent with greatest public good and the least private injury. The Project encompasses a destination hotel and enhancements to the surrounding visitor serving retail uses which are necessary to attract such a hotel. Such a project requires the assemblage of at least several acres. The Project has been designed to minimize the amount of private property takings by utilizing mostly properties owned by the Los Angeles County Metropolitan Transportation Authority (MTA), and will be partially located above the Hollywood & Vine Metro Red Line Subway Station. The Subject Parcels consist of 37,417 sq. ft., which is approximately 19.0% of the 4.6-acre development site. The MTA owns the remaining parcels.

The station is near to other city and regional public transportation systems. The Project is walking distance of the Hollywood Walk of Fame, the Capitol Records Building, and other Hollywood landmarks. Residents, employees and visitors will also be able to use the Hollywood & Vine Metro Red Line Subway Station to reach Universal City, North Hollywood and Downtown Los Angeles and connect to other light rail lines to reach Pasadena, Long Beach and LAX. Above ground multi-modal connections will be able to take the subway patrons to the San Fernando Valley, as well as other parts of the county.

In addition, the Project will provide improvements to the vehicular and pedestrian systems through the construction of new sidewalks, curbs and gutters; and will promote and enhance transit ridership by providing new signage and amenities. The Project will provide a number of fiscal benefits to the City of Los Angeles, including the direct benefits of increased property taxes and sales taxes, hotel taxes, business licenses taxes, and utility taxes (estimated to total $6,674,000 per year); and indirect benefits resulting from the increase in employment opportunities. Also the Project will include numerous community benefits including a Union Hotel Agreement, Living Wage Agreement, First Source Hiring, Health Care Outreach, a Job Training Program, a Development Team grant of $500,000 to Hollywood High School upon conveyance of Acquisition Parcels to create an endowment for the High School's performing arts program, and the establishment of the "Hollywood & Vine Trust Fund" which will use up to 50% of discretionary site-specific tax increment to improve the quality of life for residents within the Project Area.

Private injury has also been minimized by utilizing mostly vacant parcels. Finally, there is no other block within the vicinity of Hollywood & Vine that would accommodate the Project and result in fewer private takings.

Third: The Subject Parcels are necessary for the Project. The Subject Parcels are necessary for the Project in that the Project will be constructed and operated on the Subject Parcels, together with other contiguous parcels. The entire assemblage, approximately 4.6 acres, is required to provide the necessary landmass to make the Project physically and economically feasible. The Subject Parcels consist of approximately 37,400 square feet, which is approximately 19.0% of the development site. The MTA owns the remaining parcels.

Fourth: The Offers required by Government Code § 7267.2 have been made to the owners of record. CRA staff obtained Litigation Guarantees for all of the Subject Parcels. The Litigation Guarantees identified the owners of record.

Special counsel for the Agency obtained Appraisal Reports for all of the Subject Parcels dated September 9, 2005. These Appraisal Reports were reviewed by CRA's Review Appraiser, who determined that the Appraisal Reports were prepared in accordance with the Uniform Standards of Professional Appraisal Practice, and appropriately set forth conclusions of the Fair Market Value of the properties. In addition, appraisals of the non-movable trade fixtures and equipment were obtained on November 7, 2003. On February 9, 2006, CRA staff mailed to the owners of all of the properties, including the Blue Family Survivors Trust, Rosalie and Herbert Clark Trust, and HJT-Hollywood, the owners of record, offers to purchase the properties at the full appraised values in compliance with Section 7267.2 of the Government Code. The offers were accompanied by statements of the basis for the appraisals, which provided a summary of the appraisal methodology and the principal sales relied upon by the appraiser. In addition, the February 9 offers provided, where applicable, offers for the purchase of the non-movable trade fixtures and equipment located on the properties, for all tenancies where access was granted to CRA's appraisers. In addition, CRA staff has prepared and has now obtained an update of the trade fixtures and equipment appraisals. Additional offers have been made to the owners of record incorporating the updated fixtures appraisals on February 21, 2006.

On February 9, 2006, the Agency provided The Blue Family Survivors Trust, Rosalie and Herbert Clark Trust, and HJT - Hollywood, the owners of record, as well as the tenants of the Subject Parcels, with a written Notice that a hearing would be held on March 2, 2006, at which the Agency Board would consider the adoption of a Resolution of Necessity. This notice was sent in accordance with Code of Civil Procedure § 1245.235, and contains the information required by that Section.

A Proof of Service upon all of the owners and tenants has been retained in the files and records of Agency staff.

A chronology of various steps and negotiations leading up to the recommended action is provided in the "Background" section of this Memorandum.

Legacy Partners 2480 LLC (Legacy) and HEI/GC Hollywood & Vine LLC (HEI/GC) are the joint developers of the Site. Legacy will construct and operate the apartment component, (Attachment F), and HEI/GC the hotel/condominium component. Both Legacy and HEI/GC will enter into long-term ground leases pursuant to their Joint Development Agreement with the MTA. The MTA will be the fee owner of the entire site except for the airspace lots containing the condominiums, the condominium lobby and condominium parking, which will ultimately be owned by the condominium owners.

Legacy is an experienced affordable housing developer, owner and manager based in Foster City, California with regional offices in the throughout the Western United States. Their focus is the development, acquisition and property management of multifamily residential and mixed-use projects, which often involves complex arrangements with affordable housing components.

The Project will contain a number of affordable multifamily units. According to the signed and executed DDA the number of affordable units will be the greater of either 15 percent of all residential units (i.e., the combination of for-sale housing units and apartments) or 20 percent of the rental units. Based on the current program, the Project will contain approximately 79 affordable housing units.

Under the proposed affordability covenants, all of the affordable units will require that the qualifying tenants have incomes below 50% of Area Median Income (AMI). The Multifamily component of the Project would be maintained as affordable for a period of 55 years.

It is the intention of Legacy to apply to CDLAC for an award of tax-exempt bond allocation for the construction and permanent financing of the Project. Legacy is requesting an Inducement Resolution be adopted for an amount not to exceed $180 million. See Attachment C.

Financing Plan

The signed and fully executed DDA limits the Agency's financial participation for the entire 4.6-acre development to approximately $6.5 million. A portion of this assistance will be attributed to the land acquisition for the multifamily component of the Project. It is the intention of Legacy to finance most of the multifamily portion of the Project with tax-exempt bonds. As indicated in the table below, the total development costs for the multifamily portion of the Project is currently estimated at $191 million.

	TOTAL
Land Costs	$ 6,491,000
Soft Costs	52,341,000
Hard Costs	128,088,000
Other Development Costs	3,798,000
Total Development Costs	**$190,718,000**

In order to apply for the anticipated tax exempt bond financing, Legacy is requesting that the Agency serve as issuer of the Bonds. Based on the current progress of site assembly Legacy anticipates submitting an application to CDLAC for consideration at its September 20, 2006 allocation round which will require the submission of an application no later than July 27, 2006.

Based on its analysis, Legacy believes the Project can support a first mortgage of approximately $150 million. A portion of the first deed of trust loan will be secured by the property and a portion by guarantees or other security provided by Legacy. To accommodate unknown variables, such as changes to the scope of the project or the income it generates, it is requested that the Inducement Resolution be adopted for an amount not to exceed $180 million. The Project will ultimately come before the Board again to approve a Final Resolution that will include the actual amount of Bonds to be issued.

Legacy presently intends to issue variable rate Bonds utilizing a Fannie Mae or Freddie Mac standby structure. During the construction period the Bonds will be enhanced by a highly rated construction lender bank letter of credit. After the construction and lease-up period the letter of credit will be released and either Fannie Mae or Freddie Mac would guarantee the Bonds. The precise structure will be developed over the next several months and will also be included in the final resolution that the Board will be asked to approve.

Presently, the bond finance team is composed of Newman & Associates, Inc. (the "Underwriter") and Fulbright & Jaworski L.L.P. ("Bond Counsel"). Both the Underwriter and Bond Counsel are on the Agency's list of qualified firms as they successfully responded to the Agency's most recent requests for qualifications (05-05 for Underwriter/Placement Agent and 05-06 for Bond Counsel, respectively). Agency staff requests authorization to appoint, subject to Board ratification, a Financial Advisor from the Agency's list of qualified firms to provide financial advice and analysis to the Agency in connection with the structuring, issuance and sale of the Bonds.

RE

May 5, 2005 - the Agency Board, and City Council on May 31, 2005, approved an Amended and Restated DDA with Legacy Partners 2480 LLC and HEI/GC Hollywood & Vine LLC for the development of a mixed-use project.

SOURCE OF FUNDS

Hollywood Project Tax Increment, tax-exempt and/or taxable housing revenue bond proceeds, and low-income housing tax credits.

PROGRAM AND BUDGET IMPACT

The recommended action is consistent with the FY06 Budget and Work Program and is contained in Objective HW2600. The proposed actions will not have an impact on the City's General Fund. Fees generated from the Project that would accrue to the Agency include a one-time cost of issuance charge of $50,000 plus an administrative fee equal to 10 basis points (0.10%), capped at $50,000 per annum, of the bonds outstanding to pay for the ongoing cost of monitoring and reporting activities.

ENVIRONMENTAL REVIEW

The Agency certified the Hollywood Plan Amendment Final EIR on March 13, 2003. On April 30, 2003 the Agency and the City of Los Angeles made Findings and a Statement of Overriding Considerations in connection with the approval of the Hollywood Plan Amendment. On December 12, 2003 the Agency, in connection with the approval of the Hollywood and Vine Project, approved the 2003 Addendum to the Final EIR.

The developer proposed changes to the project, which led to the preparation of the March 2005 Addendum and its approval in May of 2005 in connection with other various approvals necessary for the project to go forward.

The developer is now proposing additional minor changes including a reduction in the commercial square footage and an increase in the number of residential units. The November 2005 Addendum analyzes potential environmental effects which may be associated with these changes. The November 2005 Addendum concludes that substantial revisions to the Final EIR are not required. Agency staff recommends the adoption of the attached Resolution, which restates the environmental findings and the Statement of Overriding Considerations.

BACKGROUND

In accordance with the owner participation rules of the Hollywood Redevelopment Plan, the Agency early in 2001 solicited Statements of Interest from all property owners and tenants in the eight-block district surrounding the Hollywood & Vine Metro portal. In May 2001, the Agency and MTA jointly issued a Request for Proposals (CRA RFP No. 01-39) for the proposed site. Eight proposals were submitted in October 2001. An evaluation panel consisting of Agency staff, MTA staff and two economic and development consulting firms reviewed the proposals. The panel ranked the eight proposals and interviewed the four top-ranked development teams. Subsequently, the proposal for mixed-use development submitted by the Legacy Partners 2480 LLC and Gatehouse Capital ("Developers") was selected as the proposal that would best meet the development criteria and achieve the respective objectives of both the Agency and the MTA.

On September 20, 2002, the Agency and MTA executed a six-month Exclusive Right to Negotiate Agreement ("ENA") with the Developers, which expired in March 2003. During this period, significant progress was made in negotiations with the Developers for refinement of the design concept to more accurately reflect Agency requirements and MTA's needs, and to separate public bus traffic from traffic associated with the Project. The Developers also finalized negotiations for the ground lease with the MTA. Additionally, during this period, the Agency completed the adoption of the First Amendment to the Hollywood Redevelopment Plan, restoring the power of eminent domain for a period of twelve years. The power of eminent domain had expired in May 1998. The Amendment was adopted on May 20, 2003.

On June 26, 2003, the MTA Board authorized the execution of a Joint Development Agreement between the Developers and MTA. Conditions imposed by MTA on the Developers include the Agency's ability to assist the Developers in property acquisition as related to the Redevelopment Plan Amendment to restore eminent domain authority, and commitment by the Developers to build a first class hotel, such as the "W" hotel, as a part of the Project.

On July 17, 2003, Robert B. Blue, John Walsh, David Morgan and others (the "Blue Plaintiffs") filed a validation action in the Superior Court of California of the County of Los Angeles challenging the Agency's and City's adoption of the First Amendment to the Hollywood Redevelopment Plan (the "First Amendment"). The key features of the First Amendment are: (i) a renewal of the Agency's condemnation power in Hollywood, which expired in 1998; and (ii) elimination of the time limit for incurring indebtedness to be repaid from Hollywood tax increment. The Blue Plaintiffs contended that the First Amendment was illegal because the Agency had not made a finding that the Project Area was predominantly blighted, that the findings made in the ordinance adopting the amendment were not supported by substantial evidence and because the Agency did not form a new PAC.

On December 4, 2003, the Agency held a public hearing pursuant to Health & Safety Code Sections 33431 and 33433 and authorized staff to negotiate the DDAs, certified an Addendum to the final EIR for the Hollywood Plan Amendment, approved the Concept Design Drawings, and took other related actions. On December 12, 2003, the Agency approved the executed DDAs with Legacy Partners 2480 LLC and Gatehouse Hollywood Development, L.P. for the development of a mixed-use project.

On August 8, 2004, the trial took place, on November 11, 2004; the ruling was made in the Agency's favor on all issues. However, on January 4, 2005, the Blue Plaintiffs filed an appeal of this ruling with the California Court of Appeal. Under normal Court of Appeal processing, this appeal probably would not have been heard until mid 2006, thus keeping the Agency's condemnation power and site assembly ability in legal suspension until that time. For this reason, on February 17, 2005, the Agency Board authorized Agency Counsel Kane, Ballmer & Berkman to take steps to expedite the appeal. The oral argument on the appeal case took place on December 14, 2005. The Court has up to 90 days to issue its opinion. The Agency awaits the opinion. Agency Counsel, Agency staff and the City Attorney's Office believe the Court of Appeal will agree with the trial court's ruling in the Agency's favor. This will allow the Agency to start site assembly of the Hollywood & Vine Project.

On May 5, 2005 the Agency held a public hearing and adopted and approved various actions related to the Hollywood & Vine Mixed Use Project. On May 31, 2005 City Council on May 31, 2005, approved an Amended and Restated DDA with Legacy Partners 2480 LLC and HEI/GC Hollywood & Vine LLC for the development of a mixed-use project. On July 27, 2005, the MTA Board authorized the execution of a Joint Development Agreement between the Developers and MTA.

Since its last approval, the Project scope has undergone minor changes. The modifications were driven by a change in the construction type. The apartment component was classified as Type I rather than Type V construction as initially contemplated. To offset the additional construction cost the Project scope was modified. The changes are summarized in the table below.

Project Components	**May 5, 2005**	**March 2, 2006**
Project Site	4.6 Acres	No Change
Hotel Rooms	296	300
Condominium Units	145	150
Retail/Restaurant (Sq. Ft.)	29,243	61,500
Grocery Store (Sq. Ft.)	30,000	0
Total Apartment Units	350	375
Affordable Apartment Units	74* *Greater of 20% of apartments or 15% of all units	79* *Greater of 20% of apartments or 15% of all units

The parcels to be acquired consist of approximately 37,417 sq. ft.

APN 5546-029-002 consists of approximately 7,187 sq. ft., is located in Zone C4, and is occupied by Hollywood Import House, Stars Hair & Nails, and Bernard Luggage, tenants of the Blue Trust.

APN 5546-029-023, APN 5546-029-025, and APN 5546-029-031 consist of approximately 18,382 sq. ft, are located in Zone C4, and are occupied by Daddy's Bar, Bell A Insurance Services, Cheap Auto Insurance, Hollywood Window Cleaning, NAACP, I Machine, Atomic Café, Angelyne, Inc. Henning Graphics, BYB Los Auto Sales, H. Clarke storage, Juice Fountain storage, Digital OnLine TV, Platonically Productions, Urban Technology Ventures, Fire Antique, Progressive Medial Works, Dimesa Commercial Group, Gregor Petree storage, and a parking lot, tenants of Rosalie & Herbert Clark Trust.

APN 5546-029-024 consists of approximately 11,848 sq. ft., is located in Zone C4, and is occupied by the State of California Department of Motor Vehicles, National Systems, and HW Best Insurance, tenants of HJT Hollywood Holding.

The Project will provide public improvements through the construction of new sidewalks, curbs and gutters. The City will benefit directly from increased property taxes, sales taxes, hotel taxes, business licenses taxes, and utility taxes, and indirectly from the increase in employment opportunities. Also, the Project will include numerous community benefits including a Union Hotel Agreement, Living Wage Agreement, First Source Hiring, Health Care Outreach, a Job Training Program, a Development Team grant of $500,000 to Hollywood High School upon conveyance of Acquisition Parcels to create an endowment for the High School's performing arts program, and the establishment of the "Hollywood & Vine Trust Fund" which will use up to 50% of discretionary site-specific tax increment to improve the quality of life for residents within the Project Area. The Community Context Summary is attached as Attachment G.

Councilmember Eric Garcetti is in support of the proposed Hollywood & Vine Mixed Use Project.

By:

____

Richard L. Benbow
Acting Chief Executive Officer

There is no conflict of interest known to me to exist with regard to any Agency officer or employee concerning this action.

Attachments:

A. Resolution of Necessity
B. Environmental Resolution
C. Resolution approving an application to CDLAC
D. City Council TEFRA Resolution
E. Hollywood and Vine Project Site Map
F. Legacy Apartment Component Site Map
G. Community Context Analysis