

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 11

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
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March 31, 2022

Matthew W. Szabo, Chair
Municipal Facilities Committee
200 N. Main Street, Suite 1500
Los Angeles, CA 90012

REQUEST FOR DIRECT SALE AUTHORIZATION FOR SLIVER (REMNANT) PARCEL LOCATED ADJACENT TO 6421 W. 86TH PLACE, ASSESSOR PARCEL NUMBER PORTION OF 4122-003-907, COUNCIL DISTRICT 11

The Department of General Services (GSD) proposes to sell a remnant parcel (Property) to the adjoining owner in accordance with the Own A Piece of Los Angeles (OPLA) Program approved by City Council on July 28, 2009 (C.F. 07-1894, Ordinance No. 180834, Attachment A). The Property, shown in Attachment B, is no longer required for City use and was appraised to determine the estimated fair market value. The proceeds of this sale after deducting for the cost of escrow and other associated sale costs will be divided equally with fifty percent deposited into the General Fund and fifty percent into the Council District's Real Property Trust Fund.

BACKGROUND

On January 1, 2020, AB-1486 took effect and amended the process for disposing of surplus land. Among other changes, AB 1486 requires that "land shall be declared either 'surplus land' or 'exempt surplus land,' as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures."

As a result of AB-1486, the Municipal Facilities Committee declared this Property "exempt surplus land" on January 30, 2020 allowing the City to continue selling this OPLA Property to the adjacent property owner.

In accordance with established City procedures for selling surplus property, the necessary approvals and recommendations were obtained from the appropriate City departments. The Bureau of Engineering, Survey Section or GSD Title Examiner provided or approved the legal description of the properties and any reservations or exception of portions of the real property or easements or rights to be retained by the City. The Council member in whose district the property is located has been notified of the proposed sale and concurs with the sale of this property or otherwise had no objections.



TERMS OF OPLA SALE

The OPLA sale is an all cash transaction and upon approval by the Municipal Facilities Committee, GSD will open escrow, receive funds and record the appropriate deed to close this transaction. The Property is being sold "AS IS, WHERE IS, WITH ALL FAULTS".

The prospective purchaser will pay recording fees, documentary transfer taxes, other real estate transaction taxes or fees, one-half escrow fees, title insurance, messenger service fees, broker's commissions, if any, legal description fees, if applicable, and personal property taxes where applicable. The purchaser will also be responsible for any survey of the property at his/her expense and will have up to 90 days to close the sale after the date of notification confirming the sale. However, if payment is deferred for more than 60 days after the notice confirming the sale, interest at one percent per month or fraction thereof will be charged for each month or fraction thereof in excess of 60 days.

PROPERTY DESCRIPTION

ADDRESS/APN	LOT SIZE SQUARE FEET	CD	SALE PRICE	PURCHASER/ADJOINING OWNER
Adjacent to 6421 W. 86th Pl./ Portion of 4122-003-907	550	11	\$5,000	Shannon and Margaret Kelley


FISCAL IMPACT

The sale of this Property will generate a one-time gross revenue to the City of approximately \$5,000 prior to the payment of the costs of the sale. The net proceeds will be divided equally with fifty percent deposited into the General Fund and the remaining fifty percent to the Council District's Real Property Trust Fund.

RECOMMENDATION

That the Municipal Facilities Committee:

1. Determine that the direct sale to the adjoining property owner is in the best interest of the public;
2. Instruct the Real Estate Services Division of the Department of General Services, with the assistance of the City Attorney, to complete the transaction and deposit fifty percent of the net proceeds into the General Fund 100, Department 40, Revenue Source 5141 and the remaining fifty percent to the Council District's Real Property Trust Fund Number 693, Department 14, Revenue Source 5141.


Tony M. Royster
General Manager

Attachment: OPLA Ordinance (Attachment A)
Map of OPLA Property (Attachment B)

ATTACHMENT "A"

ORDINANCE NO. 180834

An ordinance amending and adding provisions to Article 4 of Chapter 1 of Division 7 of the Los Angeles Administrative Code to provide for implementation of the "Own a Piece of Los Angeles" (OPLA) Program concerning the sale of City-owned remnant surplus properties.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. The first unnumbered paragraph of Section 7.22 of the Los Angeles Administrative Code is amended to read:

Before the Council, or the Municipal Facilities Committee for the direct sale of "remnant" properties, determines that real property proposed for sale is no longer required for the use of the City and that the public interest or necessity require its sale, the proposed sale shall be considered as follows:

Sec. 2. Subsection (a) of Section 7.22 of the Los Angeles Administrative Code is amended to read:

Sec. 7.22. Recommendations Required of City Departments.

(a) The Department of General Services shall determine whether the City owns a salable interest in the real property, shall appraise said real property at its fair market value; and shall recommend a minimum sale price to the Council or the Municipal Facilities Committee, as applicable.

Sec. 3. Subsection (d) of Section 7.22 of the Los Angeles Administrative Code is amended to read:

(d) In cases involving the direct sale of surplus City-owned property, except "remnants" as defined in Section 7.27.1(a), the City Administrative Officer shall review the proposed direct sale and recommend to the Council upon its propriety.

Sec. 4. Subsection (e) is added to Section 7.22 of the Los Angeles Administrative Code to read:

(e) In cases involving direct sales of City-owned "remnants" as defined in Section 7.27.1(a), the Department of General Services shall review the proposed sale, and shall recommend to the Municipal Facilities Committee upon its propriety. Thereafter, the Municipal Facilities Committee may determine that the public interest or necessity require completion of the sale and authorize it, including the immediate opening of

escrow. In the event of such a determination by the Municipal Facilities Committee with respect to the sale of a "remnant" as defined in Section 7.27.1(a), the Municipal Facilities Committee may authorize the execution of a deed or other instrument necessary to effectuate the sale at and for the fair market value of the property as appraised by the Department of General Services, and upon the terms and conditions contained in the document entitled Title Transfer Instructions (Escrow) approved by the City Council and made a part of Council File No. 07-1894. Any substantive deviations from those terms and conditions, as determined by the City Attorney, shall require approval by the City Council by ordinance.

Sec. 5. Section 7.27 of the Los Angeles Administrative Code is amended to read:

Sec. 7.27. Private Sale.

The Council, or the Municipal Facilities Committee in cases involving "remnants" as defined in Section 7.27.1(a), may determine that the public interest or necessity require the sale, conveyance or exchange of real property owned by the City or any City department, of the quitclaiming by the City or by any City department, of any interest in real property without notice of sale or advertisement for bids. In the event of this determination, the City Council may, by ordinance authorize the execution of a deed, contract or other instrument necessary to effect the sale, conveyance, exchange or quitclaim at and for a price or consideration and upon the terms and conditions to be specified in the ordinance; provided, however, that the ordinance shall be subject to the provisions of Sections 252 and 461 of the City Charter. In the event of such a determination by the Municipal Facilities Committee with respect to the sale of a "remnant" as defined in Section 7.27.1(a), the Municipal Facilities Committee may authorize the execution of a deed or other instrument necessary to effectuate the sale at and for the fair market value of the property as appraised by the Department of General Services, and upon the terms and conditions contained in the document entitled Title Transfer Instructions (Escrow) approved by the City Council and made a part of Council File No. 07-1894. Any substantive deviations from those terms and conditions, as determined by the City Attorney, shall require approval by the City Council by ordinance.

Sec. 6. Section 7.27.1 of the Los Angeles Administrative Code is added to read:

Sec. 7.27.1. Sale of Surplus City-Owned Remnant Property.

Notwithstanding any other provision of this Code to the contrary, City-owned "remnants" under the jurisdiction and control of the Department of General Services may be sold by private sale as authorized by Section 7.27, provided all of the following criteria are met:

(a) Each property subject to sale must be a surplus City-owned "remnant". "Remnant" means real property meeting the requirements of Section 7.22 of the Los Angeles Administrative Code which (A) has less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or less than 5,000 square feet in area, whichever is less, or (B) has no record access and is less than 10,000 square feet in area; and is not contiguous to land owned by a state or local agency, that is used for park, recreational, open-space, or low- and moderate-income housing purposes, and is not located within an enterprise zone pursuant to Section 7070 of the California Government Code, nor a designated program area as defined in California Government Code section 7082;

(b) The direct sale must be an all cash transaction and the buyer(s) must pay fair market value for the remnant as determined by an appraisal by the Department of General Services;

(c) The buyer(s) must be owners of an "adjoining property." An "adjoining property" is one which shares a common boundary with the remnant subject to sale;

(d) The Department of General Services shall offer the remnant for sale to all adjoining property owners, and utilize a competitive process to select the buyer(s) using price as its criteria;


(e) The terms and conditions of each sale must be those approved by the City Council in the document entitled Title Transfer Instructions (Escrow) and made a part of Council File No. 07-1894, and must be presented by the Department of General Services to the Municipal Facilities Committee for approval, and shall be approved as to form by the City Attorney; and

(f) Any remnant meeting the criteria set forth in California Government Code section 54221(f) must first be offered for sale to the State in accordance with Government Code section 54220, *et seq.*

Sec. 7. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of JUL 28 2009.

JUNE LAGMAY, City Clerk

By  Deputy

Approved AUG 07 2009

 Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
ANNETTE R. BOGNA
Deputy City Attorney

Date 7/13/09

File No(s). CF No. 07-1894

DECLARATION OF POSTING ORDINANCE


I, MARIA C. RICO, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No. 180834 – Amending and adding provisions to Article 4 of Chapter 1 of Division 7 of the L.A.C. to provide for implementation of the “Own a Piece of Los Angeles” (OPLA) Program concerning the sale of City-owned remnant surplus properties - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on **July 28, 2009**, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on **August 11, 2009** I posted a true copy of said ordinance at each of three public places located in the City of Los Angeles, California, as follows: 1) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; 2) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; 3) one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Copies of said ordinance were posted conspicuously beginning on **August 11, 2009** and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this **11th** day of **August 2009** at Los Angeles, California.

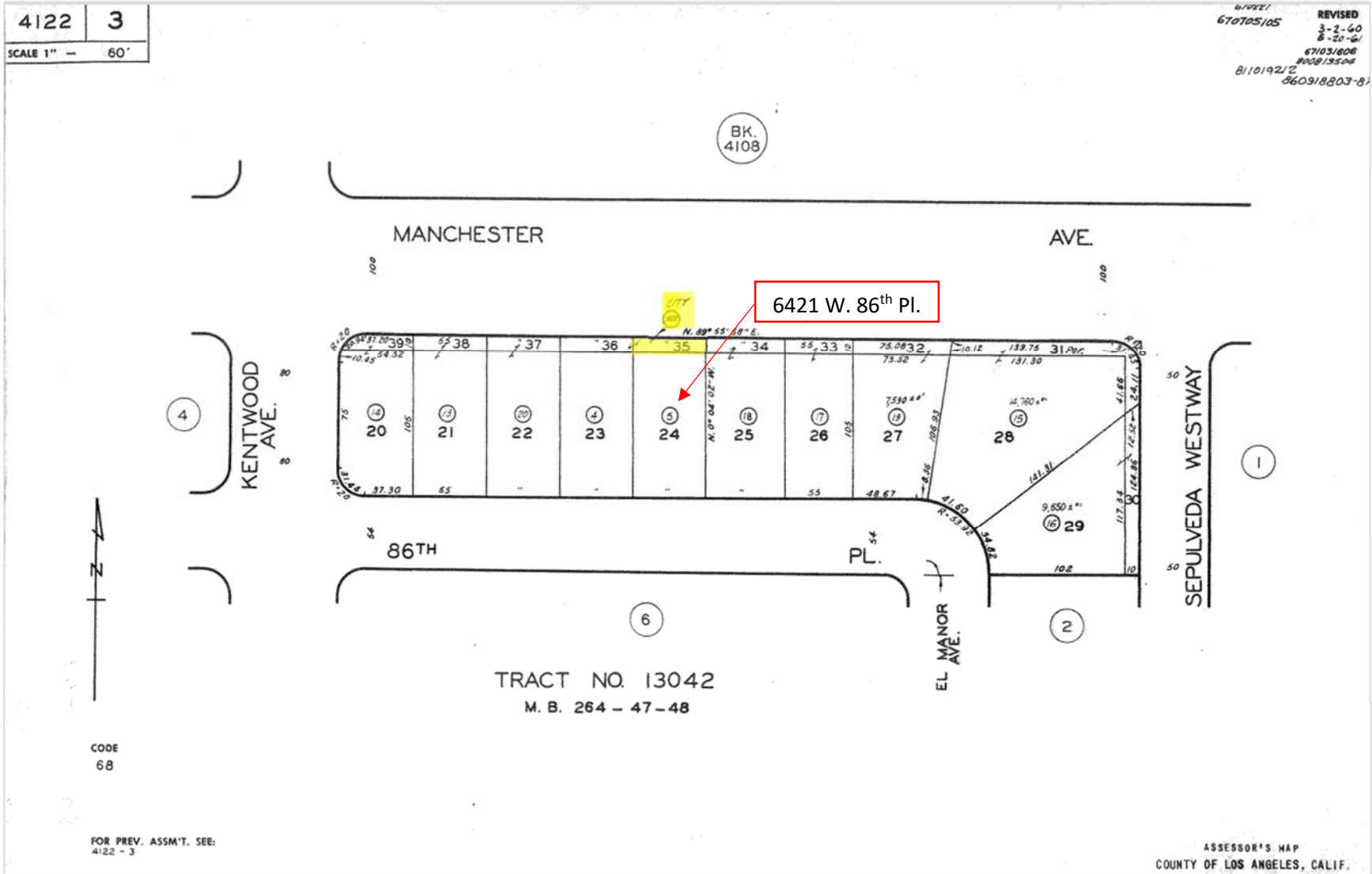


Maria C. Rico, Deputy City Clerk

Ordinance Effective Date: **September 20, 2009**

Council File No. **07-1894**

ATTACHMENT "B"



ADJACENT TO 6421 W. 86th PLACE, LOS ANGELES, CA 90045

PORTION OF APN: 4122-003-907

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