

FOR INFORMATION ONLY

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

June 5, 2013

TO: BOARD OF RECREATION AND PARKS COMMISSIONERS
FROM:  JON KIRK MURKI
General Manager
SUBJECT: HOPE STREET FAMILY CENTER (VENICE HOPE RECREATION CENTER)
– QUIMBY COVENANT AND AGREEMENT

BACKGROUND:

The Hope Street Family Center (formerly known as the Venice Hope Recreation Center) is located on an approximately 17,234 square foot site at the southeast corner of Venice Boulevard and Hope Street in the South Park neighborhood of Los Angeles. The project consists of a 25,159 square foot facility offering approximately 21,580 square feet of indoor multi-purpose recreational, classroom and support space in a four-story structure; 3,580 square feet for a licensed childcare facility; 4,630 square feet of outdoor multipurpose recreation space that includes a Proposition K funded Outdoor Athletic Court and Lighting Project; and 3,470 square feet of outdoor play space for child care.

Renderings of Hope Street Family Center and the associated site plan and floor plans are attached as Exhibit A.

Recreational activities at the Hope Street Family Center will focus on serving at-risk youth between the ages of four (4) and eighteen (18), and will include basketball, volleyball and other court sports in the outdoor space, exercise and movement classes in the exercise area, as well as aerobics, movement, dance, yoga, table tennis and other indoor recreation inside the structure.

Construction of the Hope Street Family Center commenced in July 2011 and the project is currently more than ninety percent (90%) complete. It is anticipated that construction of the project and all related closeout activities will be completed by the end of June 2013.

The Hope Street Family Center was jointly developed by Dignity Health (formally Catholic Healthcare West), which operates the nearby California Hospital Medical Center (CHMC), and the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA). When the project was originally conceived, it was planned that CRA/LA would assemble and own the land; work with Dignity Health to fund and develop the project; and, once the project was complete, have Dignity Health manage, operate, and maintain the facility through a ground lease from the CRA/LA. However, pursuant to a recently approved Disposition and Development Agreement (DDA) between CRA/LA and CHMC Hope Street Family Center Property Management LLC (CHMC LLC), a single-purpose limited liability company whose sole member is Dignity Health, the ownership of the site and certain grant funds that had been awarded to the CRA/LA for the project were transferred to CHMC LLC. The Hope Street Family Center will now be wholly owned and operated by CHMC LLC.

Acquisition of 320 and 324 Venice Boulevard with Quimby funds

In order to develop the Hope Street Family Center project the CRA/LA needed to assemble at least three (3) contiguous parcels. In 2004, CRA/LA, which was the owner of 1600 South Hope Street, which is located on the southeast corner of Venice Boulevard and Hope Street, was negotiating to purchase two (2) nearby parcels located at 320 and 324 Venice Boulevard. However, the (3) three parcels (1600 South Hope Street and 320 and 324 Venice Boulevard) were not contiguous parcels because 330 Venice Boulevard is located between 1600 South Hope Street and 324 Venice Boulevard. Therefore, CRA/LA was also negotiating with the owner of 330 Venice Boulevard (owned by DLDG, LLC, a private entity), as that owner had agreed to exchange 330 Venice Boulevard for 320 Venice Boulevard in order to provide contiguous parcels for the Hope Street Family Center project.

On June 1, 2004, the Board of Recreation and Park Commissioners (Board) authorized payment of \$1,000,000 in Quimby funds to the CRA/LA to be used solely toward the purchase of 320 and 324 Venice Boulevard for the future development of the Hope Street Family Center project (Board Report No. 04-170). As a condition of the Board's authorizing use of Quimby funds for CRA/LA to purchase 320 and 324 Venice Boulevard, at close of escrow a covenant (Quimby Covenant) was to have been recorded restricting the use of the property for public park and recreational purposes and requiring that any facility constructed thereon be maintained for such purposes. Nonetheless, when use of the Quimby funds was approved by Board on June 1, 2004, the Board did acknowledge that the CRA/LA intended to exchange 320 Venice Boulevard (one of the parcels to be acquired with Quimby funds) for 330 Venice Boulevard, and that such exchange would be subject to approval by the Board and City Council and recordation of a new Quimby covenant restricting the use of 330 Venice Boulevard for public park and recreational purposes and requiring that any facility constructed thereon be maintained for such purposes.

The CRA/LA accepted title to 320 and 324 Venice Boulevard on June 9, 2004. The Quimby covenant, however, was not recorded at that time because of the property exchange that was anticipated for 320 Venice Boulevard.

On August 4, 2005, CRA/LA approved the exchange of 320 Venice Boulevard (which had been purchased by CRA/LA with Quimby funds) for 330 Venice Boulevard. This resulted in CRA/LA owning three contiguous parcels which created a 17,234 square foot site on which the recreation center and outdoor athletic court would be developed. On March 1, 2006, the City Council authorized the exchange of the parcels and requested that the Board approve a master covenant restricting all three parcels (1600 South Hope Street, 324 Venice Boulevard and 330 Venice Boulevard) and any facility constructed thereon to be used for public park and recreational purposes (Council File No. 03-2456-S3). On June 7, 2006, the Board approved the exchange of 320 Venice Boulevard (purchased by CRA/LA with Quimby funds) for 330 Venice Boulevard, and approved a Quimby Covenant restricting all three (3) parcels and any facility constructed thereon to be used for public park and recreational purposes (Board Report No. 06-149). The CRA/LA accepted title to 330 Venice Boulevard on July 28, 2006, and the Quimby Covenant affecting all three (3) parcels was recorded on August 16, 2007.

A parcel map detailing the history of the various parcel exchange for the Hope Street Family Center project is attached as Exhibit B.

Quimby Covenant

As previously noted, a Quimby Covenant was filed on August 16, 2007, after CRA/LA completed the acquisition and exchange of the parcels to assemble the three (3) continuous parcels necessary for development of the Hope Street Family Center project. The Quimby Covenant restricts the use of all three (3) parcels to public park and recreational purposes and requires that any facilities constructed thereon shall be maintained for such purposes. The conformed version of the Quimby Covenant indicates that Attachment A to the Quimby Covenant, which was the legal description of the three (3) parcels that comprise the site for the family center, was missing from the recorded Quimby Covenant. However, the recorded covenant did identify the three (3) parcels by their street address, which enabled the County Recorder to record the Quimby Covenant against all three (3) parcels that comprise the Hope Street Family Center site. The Quimby Covenant continues in effect until the Board and the City Council terminate the covenant.

A copy of the recorded Quimby Covenant is attached as Exhibit C.

Additionally, a Lot Tie Covenant was recorded on March 3, 2010, which ties all three (3) lots permanently, unless terminated by the City. Both the Quimby Covenant and the Lot Tie Covenant run with the land and are binding on all successors.

It should also be noted that for several years CHMC has successfully operated a family center located on their adjacent hospital campus, including a licensed childcare facility and other family oriented programs. The childcare program and other family oriented programs will be relocated to the new Hope Street Family Center to be managed by CHMC along with the new recreational activities. A Los Angeles Unified School District (LAUSD) continuation school that is also currently housed at the existing family center will, however, not be relocated to the new Hope Street Family Center. Relocating the continuation school now located at the old family center onto the new Hope Street Family Center would not be a park and recreational purpose and thus would violate the Quimby Covenant. CHMC LLC is aware of this issue and the continuation school will not be relocated onto the new Hope Street Family Center.

CRA/LA Disposition and Development Agreement

On November 18, 2010, the CRA/LA Board of Commissioners approved the DDA with the CHMC LLC, which transferred ownership of the site and provided funding for development of the Hope Street Family Center. The City Council approved the DDA on December 17, 2010. The DDA was executed and became effective on March 8, 2011.

Under the DDA, CHMC LLC will own the project site and will develop the Hope Street Family Center. In addition to conveying the land for the Hope Street Family Center to the CHMC LLC, the DDA sets forth the financial investment and contributions to be made by CRA/LA and other parties in connection with the development of the Family Center. CRA/LA's investment in the master project includes: a) Proposition K grant of \$591,000; b) Proposition 40 grant of \$3,000,000; c) Proposition 1C grant of \$2,000,000; d) CRA/LA loan to CHMC LLC in the amount of \$2,545,137 for pre-development and construction costs; and e) acquisition of the three (3) parcels on which the master project is located.

CHMC LLC took title to the property on March 8, 2011, and the grant deed was recorded on May 2, 2011. The loan from the CRA/LA is secured by a Note and Deed of Trust on the property. That Deed of Trust was recorded on May 2, 2011. The DDA also mandates that a covenant agreement be recorded that requires CHMC LLC and its successors to devote the site solely for park and recreational uses and other uses permitted in the DDA. That Covenant Agreement was executed on March 8, 2011 and was recorded on May 2, 2011.

Upon completion of project construction, the CHMC LLC will be obligated to operate and maintain the Hope Street Family Center in accordance with the various grant agreements and would, as a successor to the CRA/LA, be bound by the existing obligations to provide services and maintenance for the project.

CRA/LA Disposition and Development Agreement - Agreement Containing Covenants

The Agreement Containing Covenants that was filed on May 2, 2011, as required by the DDA, also restricts the use of the property and facilities constructed thereon to park and recreational purposes.

As detailed in Exhibit A, the predominant use of the site is for park and recreational purposes in compliance with the Quimby Covenant. If the amount of indoor and outdoor space devoted to park and recreational purposes were to be reduced from what is now depicted in Exhibit A, the predominant use of the site would not be for park and recreational purposes. Thus, any reduction in park and recreational space would be a violation of the Agreement Containing Covenants as well as the Quimby Covenant.

FISCAL IMPACT STATEMENT:

The actions and activities described in this report will not have any impact on the Department's General Fund.

This report was prepared by Darryl Ford, Management Analyst II, Planning, Construction and Maintenance Branch.



04 : PERSPECTIVE VIEW FROM VENICE BLVD.

HOPE STREET FAMILY CENTER

CHMC Foundation



Elumit A



05 : REAR PERSPECTIVE VIEW

HOPE STREET FAMILY CENTER

CHMC Foundation



VENICE BOULEVARD



HOPE STREET

ALLEY

LEGEND

- 1 Stairs
- 2 Elevator
- 3 Edge of 10' Venice Blvd Dedication
- 4 Landscape Buffer as Graffiti Prevention
- 5 Athletic Court
- 6 Bench
- 7 Adjacent Building
- 8 Metal Fence Over Masonry Wall
- 9 Electrical Room
- 10 Play Area 3600 s.f.
- 11 Shade Structure
- 12 Loading Zone 400 s.f.
- 13 Trash Enclosure
- 14 Metal Fence
- 15 Above Ground Transformer
- 16 Bike Rack

- Open Space
- Adult Education
- Childcare
- Administration
- Youth
- Support Space
- Circulation

- Main Entrance
- Property Line
- Dedication Line

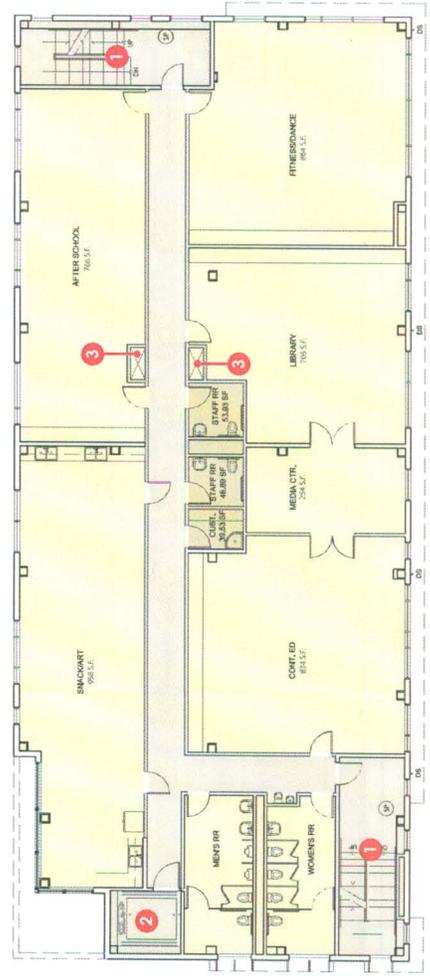
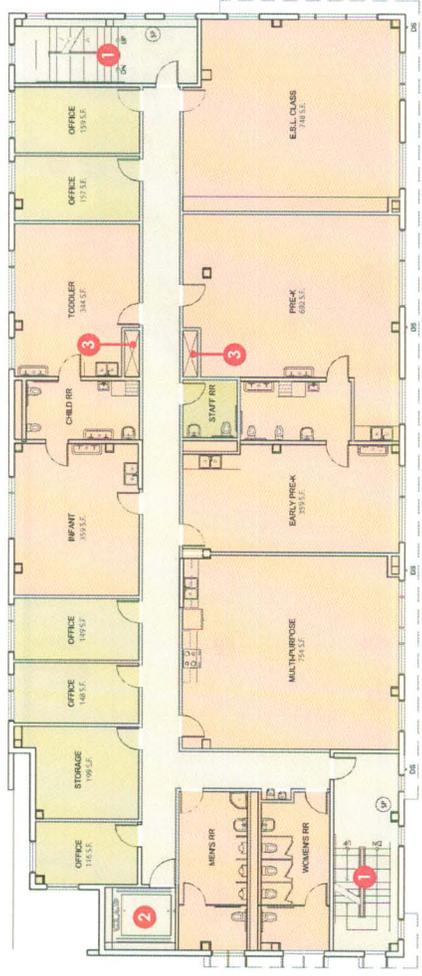
01 : SITE & FIRST FLOOR PLAN



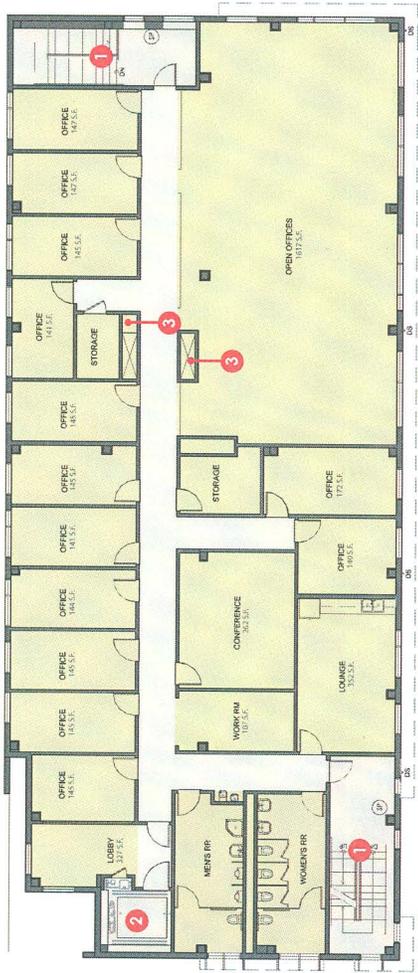
Scale: 1/16" = 1'-0"



- LEGEND**
- 1 Stairs
 - 2 Elevator
 - 3 Mechanical Shaft
- Adult Education
 - Childcare
 - Administration
 - Youth
 - Support Space
 - Circulation



02 : SECOND & THIRD FLOOR PLANS



FOURTH FLOOR PLAN

LEGEND

- 1 Stairs
 - 2 Elevator
 - 3 Mechanical Shaft
- Adult Education
 - Childcare
 - Administration
 - Youth
 - Support Space
 - Circulation

03 : FOURTH FLOOR PLAN

HOPE STREET FAMILY CENTER

CHMC Foundation
Schematic Redesign January 6, 2009



Scale: 1/16" = 1'-0"



REVISED
75-01-225025
751226
751226
77115003
880323-88
90230205001001-23
911118
93033103005001-23
990009200005001-23
021912
2004110604009001-23
2005023003002001-23
2000572202006001-22, 23
2010041900010001-23

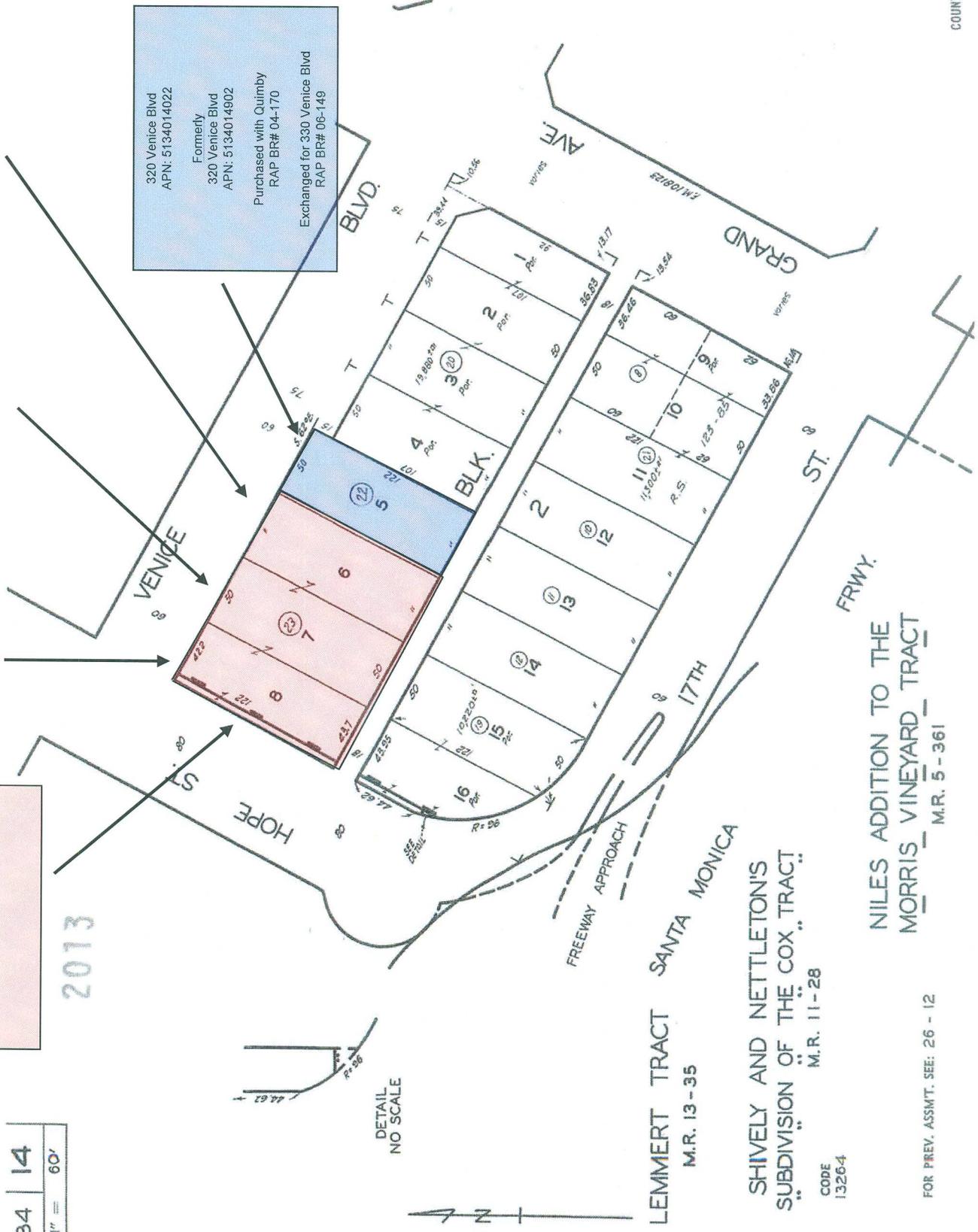
APN: 5134014023
Formerly
324 Venice Blvd
APN: 5134014005
Purchased with Quimby
RAP BR# 04-170

APN: 5134014023
Formerly
330 Venice Blvd
APN: 5134014006
Exchanged for 320 Venice Blvd
RAP BR# 06-149

APN: 5134014023
Formerly
1600 South Hope
APN: 5134014901

Venice Hope Recreation Center
1600 South Hope
APN: 5134014023

320 Venice Blvd
APN: 5134014022
Formerly
320 Venice Blvd
APN: 5134014902
Purchased with Quimby
RAP BR# 04-170
Exchanged for 330 Venice Blvd
RAP BR# 06-149



5134 14
SCALE 1" = 60'

DETAIL
NO SCALE



LEMMERT TRACT SANTA MONICA
M.R. 13-35

SHIVELY AND NETTLETON'S
SUBDIVISION OF THE COX TRACT
M.R. 11-28

CODE
1326-4

NILES ADDITION TO THE
MORRIS_VINEYARD_TRACT
M.R. 5-361

FOR PREV. ASSMT. SEE: 26 - 12

This page is part of your document - DO NOT DISCARD



20071930262

Pages: 003



Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

Fee: 0.00

Tax: 0.00

Other: 9.00

Total: 9.00

08/16/07 AT 05:00PM

1063911 200708160040074 Counter

TITLE(S) :



L E A D S H E E T

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

				-					-			
--	--	--	--	---	--	--	--	--	---	--	--	--

2

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

NAME DEPT OF RECREATION & PARKS

MAILING 1200 W. 7th St. #762

CITY, STATE

ZIP CODE L.A. CA 90017



SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

COVENANT AND AGREEMENT

Department of Recreation and Parks
1200 W. 7th St., Room 762
Los Angeles, CA 90017

SPACE ABOVE THIS LINE FOR RECORDER'S OFFICE
COVENANT AND AGREEMENT

The undersigned hereby certify being the owner of the hereinafter legally described real property located in the City of Los Angeles, State of California:

LEGAL DESCRIPTION: See Attachment A, for legal descriptions of the three covenanted properties: Venice Hope Rec. Ctr.

as filed in Book: _____, Page(s) _____, as per map(s) recorded in the office of the County Recorder, which property is located at and commonly known as:

(ADDRESS): 1600 S. Hope St., 330 W. Venice Blvd., 324 W. Venice Blvd.

In consideration of approval on _____ by the City Council, (we) do hereby promise, covenant and agree to and with said City Council of the City of Los Angeles and the Board of Commissioners of the Department of Recreation and Parks that:

THE PROPERTY SHALL BE RESTRICTED TO PUBLIC PARK AND RECREATIONAL PURPOSES AND THE UNDERSIGNED SHALL CAUSE SUCH PROPERTY AND ANY FACILITIES TO BE CONSTRUCTED THEREON TO BE MAINTAINED FOR SUCH PURPOSES.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the Board of Commissioners of the Department of Recreation and Parks and the City Council of the City of Los Angeles approve its termination.

Owner's Name (Please type or print): Community Redevelopment Agency of the City of Los Angeles

SIGNATURES Signature of Owner: _____ (sign)

Title of Signer: Chief Executive Officer

MUST BE Two Officers' Signatures Required for Corporations: _____ (sign)

_____ (sign)

NOTARIZED Name of Corporation: _____

Dated this _____ day of _____ 2006

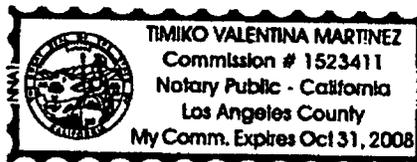
ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

On AUGUST 6, 2007 before me, TIMIKO VALENTINA MARTINEZ (name of notary), personally appeared CETILIA V. ESTOLANO, (name and title of signer or signers), personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the persons(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Timiko Valentina Martinez (SEAL)
Notary Public Signature



MUST BE APPROVED BY Department of Recreation and Parks prior to recording.

CASE NO. _____ COND. NO. _____

APPROVED BY Jon Kirk Murr
Jon Kirk Murr, General Manager, Recreation and Parks

DATE _____