



Board Report

File #: 2022-0574, File Type: Contract

Agenda Number: 7.

PLANNING AND PROGRAMMING COMMITTEE OCTOBER 19, 2022

SUBJECT: MARIACHI PLAZA L LINE (GOLD) STATION JOINT DEVELOPMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute an amendment to the Exclusive Negotiation Agreement and Planning Document (ENA) with East Los Angeles Community Corporation (Developer or ELACC) to extend the term for one year, with an option to extend the term for an additional year, for the joint development of Metro-owned property at Mariachi Plaza in Boyle Heights with up to 60 units of affordable housing, ancillary ground floor community space and a community garden (Project).

ISSUE

In 2018, the Board of Directors authorized the execution of an ENA with the Developer in support of the Joint Development (JD) project located at the Mariachi Plaza L Line (Gold) Station (Station). Since that time, the Developer has advanced predevelopment activities, including design development, community engagement, and preparation of an entitlements package. To complete the remaining predevelopment activities, including submitting the Project for entitlements and negotiating the term sheet, Joint Development Agreement (JDA), and ground lease, an extension of the ENA Term, which is set to expire on December 30, 2022, is necessary.

BACKGROUND

The joint development site consists of a 27,025 square foot (0.62 acre) parcel at the northwest corner of Pennsylvania and Bailey ("Parcel A" on Attachment A - Site Plan) and a 6,000 square foot lot to the east across Bailey Street ("Parcel B").

Mariachi Plaza is adjacent to the joint development Project to the southwest. The plaza is referenced as a historical landmark and art and cultural center in the community of Boyle Heights at the cross streets of First Avenue and Boyle Street across from the Boyle Hotel. The plaza includes the Metro Station and an adjacent City-owned area which houses a kiosk designed to replicate Plaza Garibaldi in Mexico City. Boyle Heights derives a large part of its identity as the epicenter for Mariachi culture in Los Angeles, with roots dating back to the 1930s and direct ties to the Mexican state of Jalisco. The plaza serves as a physical space for mariachi musicians to convene and play

and continues to preserve the traditional artifacts of Mariachi culture. Metro's portion of the plaza also includes a stage area where third-party, Metro-permitted events take place, such as a community market, health and wellness events, and the Annual Mariachi Festival.

DISCUSSION

Community Engagement

The Developer has continued its community engagement program to refine the Project with community input as detailed in the ENA. This includes providing ongoing joint development presentations to the Boyle Heights Design Review Advisory Committee (DRAC) and the Boyle Heights Neighborhood Council (BHNC), technical capacity building workshops to prepare tenants for applications for affordable housing, and other community update meetings.

During the initial phases of the ENA period, several iterations of the Project's design went before the DRAC. Throughout this process, the Developer adhered to the primary goals of providing affordable housing and needed community services. In February 2022, ELACC presented the Project to the DRAC. The meeting concluded with the committee approving the submittal of the Project entitlement application to the City.

In June 2022, the Developer provided an update of Project activities to the BHNC, followed by a question-and-answer session. The Developer pledged to return to the BHNC with future informational updates.

Design and Entitlements

As a result of the community-focused processes with the DRAC, BHNC, and other community stakeholders, design alterations were made, including a reduction of the height of the building from five to four stories and the addition of terracing elements to make it more in scale with the adjacent plaza. Open space opportunities were created on the roof and ground floor community space was introduced to the development program.

The Project's design and development program approved by the DRAC includes twenty-six studio units, eighteen one-bedroom units, eight two-bedroom units and seven three-bedroom units for households between 30% and 50% of the area median income (AMI).

Transitional aged youth will be served by this Project with 30 units subsidized with project-based vouchers. The remaining 29 units will be available to households earning up to 50% of AMI. There will be one manager's unit to oversee day-to-day operational activities, providing a total of 60 dwelling units.

Approximately 4,500 square feet of ground floor community serving space will be provided that incorporates mariachi music, culture, events, and lessons available to the public. Lastly, a community garden of approximately 6,000 square feet will be developed and operated across the street at the southeast corner of Bailey Street and Pennsylvania Avenue.

Following DRAC approval of the design, Metro staff completed an internal review of the Developer's entitlement packet, which will allow the developer to submit the entitlement and CEQA applications to the City's Planning Department for consideration. As this is an expedited process anchored around the affordable housing component, a project approval determination from the City should be issued by the first quarter of 2023. Meanwhile, Metro staff and ELACC are actively negotiating deal points within the Term Sheet, which will form the basis of JDA and ground lease documents that will be the subject of a future Board action.

Cultural Preservation Plan

In addition to the outreach commitments identified in the ENA, the Developer has composed a draft Cultural Preservation Plan (Attachment B) in response to community and stakeholder concerns. The Cultural Preservation Plan developed by ELACC in collaboration with local stakeholders provides a strategy to avoid displacement of local mariachis, preserve the culture of mariachis who utilize Mariachi Plaza as an employment hub, and increase opportunities for low-income mariachis in housing, employment, and services.

To achieve this, The Cultural Preservation Plan focuses on "place keeping" opportunities for mariachis. The plan identifies ELACC's programmatic services for community wealth building as a road map to grow housing and financial literacy for mariachis, low-income families, and income qualifying stakeholders. ELACC has committed to actively work with the mariachi community to qualify for onsite and nearby housing opportunities and cultural enrichment programs, as well as to establish dedicated space within the new development to conduct music lessons and promote mariachi culture to the community at-large. Outreach events identified in the plan have commenced and will continue through project construction.

Mariachi Plaza Maintenance and Programming Update

In the May 2022 Regular Board Meeting, the board received an update on the adjacent Metro and City-owned Mariachi Plaza (which is not part of the Joint Development). The update included a discussion on a community survey that was conducted in English and Spanish between November 20 and December 23, 2021. The next steps included: 1) the formation of a round table meeting with key community members and business owners; and 2) negotiating an agreement between the City and Metro for the holistic management of Mariachi Plaza permitting, event management, maintenance, security and repairs.

In preparation for the round-table event, Metro reached out to businesses and Community Based Organizations (CBOs) between August 4 and August 31, 2022, to encourage participation. Metro hosted its first-round table event on August 31, 2022, in which key community members and business owners expressed their concerns and interests around topics such as parking, security, homelessness, maintenance, the plaza permitting process and future round table events. The Metro Real Estate Team will continue these discussions to understand how these topics can be addressed thoroughly and in a timely manner.

EQUITY PLATFORM

Construction of the Project will deliver affordable housing, enhanced public infrastructure, jobs and other transit-supportive amenities within an Equity Focused Community, benefitting community members adjacent to the Project as well as other lower income Los Angeles County residents in need of affordable housing. In pursuing the Project, the Developer and Metro staff will continue to actively engage with and be responsive to all stakeholders through a coordinated community outreach process that will involve multiple public engagement opportunities. The Developer will continue building on the years of prior community outreach for this Project, consistent with the ENA and commitments identified in the Cultural Preservation Plan.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety as it only seeks a time extension for the ENA term during which no improvements will be constructed. An analysis of safety impacts will be completed and presented to the Board for consideration if and when negotiations result in proposed terms for a JDA and ground lease.

FINANCIAL IMPACT

Funding for joint development activities related to the ENA and the Project is included in the adopted FY23 budget in Cost Center 2210, Project 401018.

Impact to Budget

There is no impact to the FY23 budget. The ENA executed in 2018 required the Developer to pay Metro a non-refundable fee of \$50,000, as well as a \$50,000 deposit to cover third-party expenses. The Developer must replenish that deposit when it reaches a balance of less than \$25,000.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan Goal #2 to provide outstanding trip experiences for all users of the transportation system and Goal #3, to enhance community and lives through mobility and access to opportunity.

NEXT STEPS

Upon approval of the recommended action, staff will prepare and execute an amendment to the ENA providing a one-year extension of the term with an option to extend the term for one additional year, if deemed necessary by Metro. Staff will provide a progress update to the Board prior to exercising the extension. Staff will continue working with the Developer to finalize negotiations on key terms and conditions of a JDA and GL and will return to the Board for approval upon completion of deal negotiations. In addition, staff and the Developer will continue to conduct Developer-led community outreach meetings regarding the scope of design, progress of the Project and ongoing interface with the mariachis and other interested community groups during the ENA's extended term. Presentations will also be given to the BHNC as further progress is made.

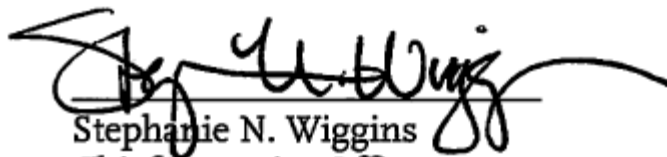
ATTACHMENTS

Attachment A - Site Map

Attachment B - Cultural Preservation Plan

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Stephanie N. Wiggins
Chief Executive Officer

Attachment A -
Mariachi Plaza
Joint Development Site Map



Parcel A

Size: 0.62 acres

Proposed Use: 60 units of affordable housing
up to 4,500 SF community space



Parcel B

Size: 0.13 acres

Proposed Use: community garden



Mariachi Plaza Gold Line Station and Plaza

Size: 0.70 acres



Mariachi Plaza Gold Line Station Entrance



EAST LA COMMUNITY CORPORATION

2917 EAST 1ST STREET, SUITE 101
LOS ANGELES, CA 90033

Cultural Preservation Plan – Lucha Reyes

Introduction: Placekeeping Mariachis in Boyle Heights

Boyle Heights derives a large part of its identity as the epicenter for Mariachi culture in Los Angeles with roots, dating back to the 1930s and direct ties to the Mexican state of Jalisco. Its most iconic and visible landmark is Mariachi Plaza. The plaza serves as a physical space for mariachi musicians to convene and play and continues to preserve the traditional artifacts of Mariachi culture. As new development arises in culturally significant areas of Boyle Heights, local residents have viewed Mariachi Plaza as the barometer of cultural preservation – often using the plaza as a symbolic and literal platform to amplify voices in the community.

The prioritization of public and community spaces that continue the historical narrative of the neighborhood will become increasingly more important as demographic populations change and grow. Immigrant communities like Boyle Heights value cultural emblems. In our capacity as an affordable housing developer, we strive to add to that rich cultural fabric in the financial tools that we offer, the tenants that we uplift, and our community-driven development projects.

Plan Objective and Goals

The objective of this Cultural Preservation Plan is to identify a strategy to preserve the culture of mariachi musicians who utilize Mariachi Plaza as an employment hub. In partnership with LA Metro, ELACC's goal is to increase opportunities for low-income mariachis in housing, employment, and services through the development and construction of Lucha Reyes Apartments. This goal will be achieved by utilizing ELACC's programmatic services that bridge community wealth resources and uplift access to housing and financial literacy for mariachis, low-income families and income qualifying stakeholders.

As the cost of housing rises, there is a risk of mariachis finding other avenues for employment and housing that could result in Boyle Height's losing its rich cultural value. ELACC previously explored the feasibility of setting aside units for mariachis living in the area or who use the plaza for employment opportunities. While Fair Housing laws restrict this specific set-aside, ELACC is committed to an ongoing outreach strategy that emphasizes the mariachis, low-income families, and other income eligible stakeholders throughout the project's development timeline. Part of our due diligence as the developer is to inform the community on qualifications and the overall application process for this project. Our goal is to increase local residents' capacity to successfully apply for the Lucha Reyes Apartments and/or other affordable housing developments in Boyle Heights/East Los Angeles.

The Cultural Preservation Plan is premised on the understanding that in order for mariachis to remain a significant part of cultural life in Boyle Heights, three critical concerns must be addressed.

- 1) Alleviate housing insecurity so that a) local mariachis are not forced out to move and b) that if they are housed locally, the housing costs represent a small

proportion of their expense.

- 2) Preserve and expand the physical space that may be “owned” by mariachis.
- 3) Support programming that compliments the mariachis.

Tenant Outreach and Marketing

ELACC is committed to the following ongoing activities to achieve housing security for mariachis and income qualifying stakeholders of Lucha Reyes. These activities will occur during the pre-development period through lease-up.

- With the assistance of LA Metro, implement a Tenant Marketing Plan that creates a focused approach to the immediate Boyle Heights area and those that utilize Mariachi Plaza. The marketing plan will use a variety of methods to encourage local individuals and families, especially mariachis, to secure low-cost housing. Marketing and outreach methods will include:
 - Workshops
 - Participation in community events (e.g., booths)
 - Signage and advertising
 - Social media
 - Pop-up events



Shown above: Lucha Reyes open space visioning workshop

- Metro will help to provide best practices and appropriate language for the Tenant Marketing Plan. Metro Sign-off would be a component of the overall Ground Lease approval process.
- Work with organizational partners in Boyle Heights to identify available housing programs and housing opportunities available to mariachi families.
- Directly engage mariachis who come to the Plaza for employment to ensure that they are aware of the following services:
 1. affordable housing rentals; and 2. home ownership opportunities. Home ownership candidates will be connected to ELACC's Community Wealth Department for guidance on 1st time home ownership. Also, qualifying mariachis who meet ELACC's program criteria will be connected with foreclosure and malicious eviction prevention resources.
- Offer quarterly workshops on how to apply for Affordable Housing in the area during the pre-development and construction phases (Spanish language provided). This would occur early enough in the process to allow mariachis and other workshop attendees to have the required tax returns, financial and related documentation necessary to be a qualified candidate for housing at Lucha Reyes Apartments.
- Connect mariachis with county affordable housing resources (LACDA, HACLA, etc.)



ELACC EFFORTS TO DATE

Over the past several years, ELACC has hosted workshops to increase community awareness of affordable housing opportunities and the technical capacity for searching and applying for low-cost housing. Workshops were held In December 2021 (Spanish), March 2022 (Spanish) and additional workshops are scheduled for 2022 in , August and November.

These opportunities are promoted via a text listserve managed by ELACC's Community Wealth Services department as well as other social media channels.

Shown above: Mariachi Plaza June 2018 Affordable Housing 101 workshop; Green space visioning workshop; Mariachi Plaza November 2018 Community Benefits Meeting at Hollenbeck Youth Center.

Physical Space Dedicated to Benefit Mariachis

Community Room

ELACC is designating approximately 4,500 square feet in the ground floor of Lucha Reyes Apartments as a community room for mariachis. This space will be available for use via a Memorandum of Understanding with a local mariachi group so that they can use the venue as a rehearsal/meeting space in exchange for free or low-cost music classes to our tenants and community at large. By having this space accessible to mariachis adjacent to the plaza, ELACC also hopes that the space can serve as a resource center that connects the local artistic community with resources/aid/technical support. In addition to having a physical space, ELACC will also create a public bulletin board on the exterior façade of the community room to post important resources and information and highlight a few local “mariachis of the month” so that potential clients can reach out to mariachis for hire.

Plaza Safety

ELACC is a strong advocate for Plaza safety, and in our due diligence as the developer of Lucha Reyes we support place-keeping mariachis at the Plaza. For example, from January – March 2022, ELACC attended several meetings with the Organizacion De Mariachis Independientes De California (OMICAL). During these stakeholder meetings, the mariachis elevated serious safety concerns about Mariachi Plaza and ELACC helped them brainstorm the best strategies to elevate their concerns to appropriate parties. Because of these meetings, OMICAL met with both Kevin de Leon’s office and the LAPD to elevate their safety concerns. Since then, the Senior Lead Officers of the Hollenbeck Division assured the mariachis that their legal status should not be a deterrent to

reporting suspicious activities, explained how policing in the area works, and who to contact for immediate assistance.

Programming provided by ELACC

Following up on our meetings with the OMICAL mariachis this ENA period, ELACC will host additional workshops/meetings with mariachis this fall/winter.

- The first meeting will be an overview of the programming and services offered from our Community Wealth department.
- A second meeting will be scheduled in the fall to poll the local mariachi community on the plaza and other mariachi groups to assess the services and resource referrals that would be beneficial to them.

A third meeting will be scheduled before the end of this ENA period that will be tailored to the survey results gathered from meeting #2 and to assess any further needs identified through this community engagement process.



Shown above: Mariachi Plaza Project Introduction Workshop

ELACC will facilitate community programming that supports the needs of mariachis in partnership with local mariachi groups and the surrounding community. Examples of programming includes but is not limited to:

- Offering free tax preparation services and/or other financial literacy services to Mariachis.
- Assist in providing linkages of social service programming. Connecting mariachis with the appropriate agencies or CBOs.
- Fundraising and/or opportunities of Mariachi Plaza' annual Santa Cecilia festival.
- Small business coaching.
- Financial literacy workshops & counseling, access to credit-building tools and incentivized saving programs (such as matched savings programs).
- Information on small social lending circles ("cundina"), a rotating savings/lending group where participants leverage individual funds to build credit and fulfill short-term saving goals. This program is administered through a partnership with Mission Asset Fund (MAF). Beginning fall 2022, ELACC will kick-off a \$2,500 small business microloan program through our MAF partnership, which will be shared with the mariachi community so they can apply.

SUMMARY PLAN AND SCHEDULE

		2022		2023			2024			→	
Action	Partners	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
General Workshop: How to Apply for Affordable Housing (AH)	General Outreach	8/18	11/22								
Mariachi Meeting	OMICAL/Other Mariachi Groups		11/22								
General Workshop: How to Apply for AH	General Outreach			2/23							
Mariachi Meeting	OMICAL/Other Mariachi Groups			2/23							
General Workshop: How to Apply for AH	General Outreach				5/23						
General Workshop: How to Apply for AH	General Outreach					8/23					
General Workshop: How to Apply for AH	General Outreach						11/23				
Mariachi Meeting: How to Apply for AH	OMICAL/Other Mariachi Groups						11/23				
General Workshop: How to Apply for AH	General Outreach							2/24			
General Workshop: How to Apply for AH	General Outreach								5/24		
General Workshop: How to Apply for AH	General Outreach									8/24	
General Workshop: How to Apply for AH	General Outreach										11/24



Next stop: building communities.

Mariachi Plaza Joint Development

Planning and Programming Committee

October 19, 2022

Legistar File 2022-0574



Metro



Recommendations

CONSIDER:

- A. AUTHORIZE the Chief Executive Officer to execute an amendment to the Exclusive Negotiation Agreement and Planning Document (ENA) with East Los Angeles Community Corporation (Developer or ELACC) to extend the term for one year, with an option to extend the term for an additional year, for the joint development of Metro-owned property at Mariachi Plaza in Boyle Heights with up to 60 units of affordable housing, ancillary ground floor community space and a community garden.

Mariachi Plaza Site Overview



Parcel A

Size: 0.62 acres

Proposed Use: 60 units of affordable housing
up to 4,500 SF community space



Parcel B

Size: 0.13 acres

Proposed Use: community garden



Mariachi Plaza Gold Line Station and Plaza

Size: 0.70 acres



Mariachi Plaza Gold Line Station Entrance



Mariachi Plaza Background/Status

- Metro entered into an ENA with Developer in March 2018
- ENA set to expire December 30, 2022
- Proposed project includes:
 - > 60 units of affordable housing at 30-50% AMI
 - > 4,500 sq. ft. ground floor community space
 - > Community garden
- Project complexity has required extensive analysis, community outreach, design review and coordination, and entitlements
- Following Boyle Heights Design Review Advisory Committee (DRAC) approval in Spring 2022, Developer preparing City entitlement and CEQA applications to City of LA

Community Outreach

Outreach to-date

- Boyle Heights Design Review Advisory Committee (DRAC)
- Boyle Heights Neighborhood Council (BHNC)
- Affordable housing technical capacity building workshops
- Community survey, focus groups and CBO round table

Draft Cultural Preservation Plan

- Mariachi-focused outreach and engagement through:
 - Tenant Marketing Plan
 - Partnerships with other CBOs and financial institutions
 - Direct engagement/quarterly workshops with mariachis
 - Programming support
 - Community space focused on mariachi activity

Next Steps

- 2022:** Execute Amendment to ENA
Submit CEQA and Entitlement Application
- 2023:** Finalize negotiations of key terms and conditions of Joint Development Agreement (JDA) and ground lease for Board approval
- 2024:** Developer secures funding; Execute ground lease; start construction
- On-going:** Stakeholder updates