
Next Steps

Residential Acquisition and Relocation Programs:

- Belford
- Manchester Square

July 21, 2009



- **Purpose:**
 - Outline recommendations for future BOAC action to:
Bring the 1997 residential acquisition program polices for Belford and Manchester into alignment with 2009
- **Topics**
 - Review status
 - Future options for BOAC consideration

Program Progress

1997	Belford	Manchester	Row Total
Properties - Single Family	0	279	279
Properties - Multi-Family	48	238	286
Properties - Total	48	517	565
Total Units Within Above	591	1757	2348

% ACQUIRED	Belford	Manchester	Total
Properties – Single Family	n.a.	95%	95%
Properties- Multi-Family	83%	71%	73%
Properties - Total	83%	84%	84%
Overall for Units Above	87%	60%	67%

TO GO	Belford	Manchester	Total
Properties – Single Family	0	14	14
Properties- Multi-Family	8	70	78
Properties - Total	8	84	92
Total Units Within Above	74	699	773

Strategic Objectives

1. Enable LAWA to negotiate price
2. Affirm relocation assistance for owner-occupants and renters
3. Consider eminent domain where and when appropriate

Belford

- Lease or sale of total Belford area likely to generate income greater than the to-go cost
- \$28,000,000 to go
- Eliminate expanding M&O costs
- Voluntary approach nearly exhausted
- Program approach is not effective to complete the remaining acquisitions

Manchester

- Noise contour borders have changed
- \$256,000,000 to go
- M&O cost would be ongoing
- Voluntary program exhausted
- Revisit acquisition program tools in the future only if and when there is a need for development

Belford – Next Steps

- 0 single family units to go
- 8 multi-family properties having 74 units to go
- 5 owners
- Estimated cost to acquire \$28,000,000
- Future demolition cost \$600,000
- Current annual maintenance budget \$170,000, excluding LAWA staff cost, which will increase with acquisitions.

Acquisition Recommendations

- For a six month period, enable staff to negotiate with owners using one of two approaches:
 1. Establish a Belford-wide feasibility-based market value per unit to initiate individual negotiations OR
 2. Use an appraisal-based process for each property....However, change the current process to:
 - Eliminate the requirement to exchange appraisals during negotiation
 - Authorize a range around the appraised value that staff may negotiate purchases (e.g., 10%)
- Effective six months from adoption of revised program approach, employ eminent domain to complete acquisitions

Manchester – Next Steps

- 14 single family units to go
- 70 multi-family properties; 685 units
- 34 owners
- Estimated cost to acquire \$256,000,000
- Future demolition cost \$5,900,000
- Current annual maintenance budget \$828,000, excluding LAWA staff cost, which will increase with acquisitions

Acquisition Recommendations

- Require staff to secure Board authorization to initiate any actions in support of negotiations or acquisition from remaining owners
- Require owners to establish an offering price for sale prior to any Board consideration of future acquisitions
- Establish the particular negotiation process for each opportunity on a case-by-case basis when the Board approves commencement of negotiations.

- **Bring revised resolutions to the Board for approval in September**
 - Separate resolutions for Belford and Manchester processes
 - Resolutions to re-affirm current relocation benefits for owner-occupants and renters
- **Commence the process to enable eminent domain for Belford properties that remain after the six-month negotiation period**