

Agenda Report

February 24, 2020

TO: Honorable Mayor and City Council

FROM: City Manager

SUBJECT: FIRST AMENDMENT TO THE AMENDED AND RESTATED OWNER PARTICIPATION AND FIRST AMENDMENT TO THE AGREEMENT CONTAINING COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING REAL PROPERTY BETWEEN ABILITYFIRST AND THE CITY OF PASADENA

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3); and
2. Approve the First Amendment to Amended and Restated Owner Participation Agreement and the First Amendment to Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property with AbilityFirst and authorize and direct the City Manager to execute said documents.

EXECUTIVE SUMMARY:

AbilityFirst (formerly known as the Crippled Children's Society of Southern California) (AbilityFirst) and FVO Solutions, Inc. (formerly known as Foothill Vocational Opportunities, Inc.) (FVOS) are proposing a merger of their respective organizations whereby FVOS will be merged into AbilityFirst and AbilityFirst will be the surviving corporation and will assume the obligations of FVOS under the Amended and Restated Owner Participation Agreement (OPA) and Agreement Containing Covenants, Conditions and Restrictions Affecting Real Property (CC&R's) that was entered into by and between Foothill Vocational Opportunities, Inc. (FVO) and the former Pasadena Community Development Commission (Commission) in 2001. Under the terms of the OPA, such a transfer requires the prior written approval of the City, as the Successor Agency to the Commission. FVOS and AbilityFirst have requested that the City approve their merger. To that end, the City Attorney's Office and representatives of FVOS and AbilityFirst have reached agreement upon amendments to the OPA and CC&Rs, which, if approved by the City Council, will be executed once the FVOS and AbilityFirst merger has occurred.

With more than 90 years of experience and more than 50 years in Pasadena, AbilityFirst provides a variety of programs designed to help people with disabilities achieve their full potential throughout their lives. With more than 50 years of experience in Pasadena, FVOS has created jobs that changed lives for thousands of people with developmental disabilities.

BACKGROUND:

The Commission and FVO entered into the OPA on September 6, 2001, whereby the Commission provided financial assistance to FVO in the form of a grant that was used by FVO for the payment of costs and expenses incurred in connection with the construction of a new 8,000 square foot, two-story classroom and office building along Fair Oaks Avenue in conjunction with FVO's renovation and expansion of its existing facilities at 789 Fair Oaks Avenue.

In partial consideration for the grant of funds from the Commission, until December 31, 2040, FVO agreed to use the renovated and new facilities to further the purposes and goals of FVO to:

1. provide high quality employment, job training, and support services to developmentally disabled adults of the City of Pasadena;
2. provide primary service to low and moderate income residents of the City of Pasadena; and,
3. endeavor to expand its employment of developmentally disabled individuals from the City of Pasadena.

The CC&Rs were recorded to secure the covenants agreed to in the OPA. On July 3, 20, 2012, FVO changed its name to FVO Solutions, Inc., a California nonprofit public benefit corporation (FVO Solutions). Following the proposed merger, FVO Solutions will be absorbed by AbilityFirst. The amendments to the OPA and the CC&Rs provide that the City approves of and consents to the merger and obligates AbilityFirst to assume and agree to perform all of FVO Solutions' liabilities, covenants, agreements, terms, provisions and conditions under the OPA and the CC&R's. In addition to providing vocational training and employment for individuals with disabilities, AbilityFirst is proposing to relocate its administrative headquarters from the current leased building on Green Street to the FVOS Property prior to the expiration of its lease in 2022. Staff recommends approval of the merger and the use of the FVOS Property as the administrative headquarters for the new entity, with administrative and program staff.

ENVIRONMENTAL:

Pursuant to State CEQA Guidelines Sections 15060(c)(3) and 15378, environmental review is not required where the activity does not have the potential for resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change, and therefore is not a "project."

FISCAL IMPACT:

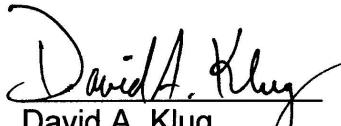
There is no foreseeable fiscal impact associated with this action.

Respectfully submitted,



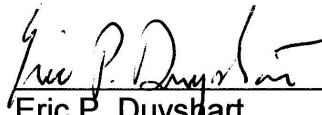
STEVE MERMELL
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