COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

November 21, 2006

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH SELECTED DEVELOPER FOR DISPOSITION AND DEVELOPMENT OF 105TH STREET AND NORMANDIE SENIOR RENTAL APARTMENTS IN UNINCORPORATED WEST ATHENS/WESTMONT (2)
(3 Vote)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the execution of a 180-day Agreement to Negotiate Exclusively (Agreement) for the development of the 105th Street and Normandie Senior Rental Housing Project, a 1.4-acre development consisting of up to 66 low-income rental units for seniors, with at least five units reserved for homeless seniors, to be located at 10402, 10408, 10410, 10426 South Normandie Avenue, 1335 West 105th Street, and 1344 West 104th Street, in unincorporated West Athens/Westmont, is exempt from the California Environmental Quality Act (CEQA) because the activity does not have the potential for causing a significant effect on the environment.

2. Approve the attached 180-day Agreement presented in substantially final form, between the Community Development Commission, and the Southern California Housing Development Corporation of Los Angeles and the Homes For Life Foundation, both California nonprofit corporations and jointly identified as the "Developer", to negotiate a Disposition and Development Agreement (DDA), for the development of the project described above.

3. Authorize the Executive Director to execute the Agreement, to be effective following approval as to form by County Counsel and

execution by all parties; and authorize the Executive Director to execute amendments to the Agreement to extend the negotiating period by up to a maximum of two 90-day periods, to be effective following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the Commission to exclusively negotiate the terms of a DDA with the Developer for disposition of two Commission-owned parcels, and the development of up to 66 senior rental apartment units on the site. In addition to the rental units for qualified seniors, the development will include a community room for the residents and office space for personnel from the Community Development Commission.

FISCAL IMPACT/FINANCING:

There is no fiscal impact associated with this action. The Developer will submit to the Commission a good faith non-refundable cash deposit, in the amount of $5,000, to ensure that the Developer will proceed diligently and in good faith to negotiate the Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On March 28, 2006, the Commission issued a Request for Proposals (RFP), to solicit proposals for the subject development on six adjacent Commission-owned parcels consisting of approximately 1.4 acres. All of the apartments will be reserved for senior households with incomes not exceeding 50 percent of the area median income for the Los Angeles/Long Beach Metropolitan Statistical Area, adjusted for family size, as established by the U.S. Department of Housing and Urban Development.

The solicitation period ended on May 2, 2006, at which time one proposal was submitted. This proposal submitted by the Developer met all of the threshold requirements. An evaluation process was subsequently completed and scores were assigned under the technical review and design review categories. A total of 650 or more points out of 1,000 must be achieved to be selected. The Developer's proposal received a total of 713.48 points.

The technical and design review process took into account the Developer's capacity to construct the project, ability to manage the project once completed, experience and plan for providing supportive services to both senior and homeless senior populations, the project's financial structure and cost, and finally, the design of the project.

The Commission wishes to execute an Agreement with the Developer to negotiate a DDA to complete the project, which will include the Developer assuming ownership of the land, performing outreach to the surrounding community, securing necessary entitlements and financing commitments, determining the number of affordable units reserved for low-income seniors, and constructing and renting of the apartments. Upon the conclusion of the negotiations, the DDA will be presented to your Board for approval.

This Agreement will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION:

This Agreement does not commit the Commission to a particular course of action, and is not subject to the requirements of the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA). All CEQA and NEPA environmental review requirements must be completed prior to the execution of the DDA committing the Commission to this project.

IMPACT ON CURRENT PROJECT:

This Agreement will allow the Commission to negotiate terms of a DDA with the Developer, which will result in the increase of affordable housing in the County.

Respectfully submitted,

Carlos Jackson

CARLOS JACKSON
Executive Director

Attachment: 1

AGREEMENT TO NEGOTIATE EXCLUSIVELY

by and between

THE COMMUNITY DEVELOPMENT COMMISSION

OF THE COUNTY OF LOS ANGELES

and

SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION
OF LOS ANGELES

AND

HOMES FOR LIFE FOUNDATION

105th STREET & NORMANDIE SENIORS PROJECT

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this _____ day of _____, 2006, by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic (the "Commission"), and SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION OF LOS ANGELES ("SCHDCLA"), a California non profit corporation and a Community Housing Development Corporation ("CHDO"), and Homes for Life Foundation ("HFLF"), a California non profit corporation (jointly the "Developer"), on the terms and conditions set forth below. The Commission and the Developer are sometimes referred to collectively herein as the "Parties" and each individually as a "Party."

RECITALS

A. WHEREAS, the Commission issued a Request for Proposals ("RFP") on March 28, 2006, for the development of certain real property located at 10402, 10408, 10410, 10426 South Normandie Avenue and 1344 West 104th Street and 1335 West 105th Street (the "Site") in the unincorporated West Athens/Westmont area of the County of Los Angeles, and said RFP is incorporated herein by this reference in its entirety as though fully set forth.

B. WHEREAS, this Agreement is in response to the RFP, in which the Developer was selected to receive an Exclusive Right to Negotiate in accordance with the RFP's requirements.

NOW, THEREFORE, the Parties agree as follows:

[100] Duration of this Agreement

The duration of this Agreement shall be for a period of one hundred eighty (180) days from the date first above written plus a maximum of two 90-day extensions, if mutually agreed to by the Executive Director of the Commission and the Developer ("Negotiation Period"). If, upon expiration of the Negotiation Period, the Developer has not signed and submitted a Disposition and Development Agreement (DDA) satisfactory to the Commission in its sole discretion, then this Agreement shall automatically terminate. The Board of Commissioners of the Community Development Commission of the County of Los Angeles ("Board of Commissioners") has authorized the extension of this Agreement at the discretion of the Executive Director of the Commission.

[101] Deposit

Prior to the execution of this Agreement by the Commission, the Developer shall submit to the Commission a non-refundable, good faith cash deposit (the "Deposit") in the amount of FIVE THOUSAND DOLLARS ($5,000.00). The Deposit shall ensure that the

Developer will proceed diligently and in good faith to negotiate and perform all of the Developer's obligations under this Agreement.

The Commission shall place the Deposit in an interest-bearing account and such interest, when received by the Commission, shall become part of the Deposit.

[200] Good Faith Negotiations

The Commission and the Developer agree during the Negotiation Period set forth above to negotiate diligently and in good faith to prepare the DDA for execution by the Developer and for submission and approval by the Board of Commissioners, in the manner set forth herein with respect to the development of the Site as referenced in Section 300 hereof (the "Scope of Development"). The Commission agrees, for the Negotiation Period, not to negotiate with any other person or entity regarding development or transfer of the Site. During the term of this Agreement, except as provided in the RFP, the Commission shall keep confidential all information, plans, projections, and reports provided to the Commission by the Developer in connection with the review, evaluation, and development of the Site and shall not disclose any such material to any third party, except to the extent required by law, without the express written consent of the Developer.

In the event at any time during the Negotiation Period the Developer does not negotiate diligently and in good faith as determined by the Commission in its reasonable discretion, the Commission shall give written notice thereof to the Developer who shall then have thirty (30) business days to negotiate in good faith to the satisfaction of the Commission. Following the receipt of such notice and the failure of the Developer to thereafter negotiate in good faith within said thirty (30) business days, this Agreement may be terminated upon written notice by the Executive Director of the Commission. In the event of such termination by the Commission, the Commission shall retain the Deposit and any interest earned thereon.

Except as provided in the preceding paragraph, upon termination of this Agreement on or before the expiration of the Negotiation Period (which may include any authorized extension of the original 180 day period), neither party shall have any further rights against or liability to the other under this Agreement.

If a DDA is approved and executed by the Commission and the Developer, the DDA shall thereafter govern the rights and obligations of the parties with respect to the Development and shall supersede this Agreement.

[300] Scope of Development

The negotiations between the Developer and the Commission shall be for the disposition, construction and management of the Development that was proposed by the Developer entitled "105th Street & Normandie Senior Rental Housing" (the "Developer Proposal"), and that was recommended on June 19, 2006 by the Executive Director of the Commission. The Developer Proposal is incorporated into this Agreement by reference, as though fully set forth herein.

[400] Purchase Price and/or Other Consideration

Any applicable purchase price for properties within the Site to be paid to the Commission by the Developer, and/or other consideration to be paid to the Commission by the Developer under the DDA, will be identified in the DDA which will be approved by the Board of Commissioners.

[500] The Developer

[501] Nature of the Developer

The Developer is consists of a team of two California non profit corporations.

[502] Office of the Developer

The principal offices of the Developer are:

Southern California Housing Development Corporation of Los Angeles
10681 Foothill Blvd., Suite 220
Rancho Cucamonga, CA 91730
Attn: Alfredo Izmajtovich
Fax: (909) 291-0302

Homes for Life Foundation
8939 S. Sepulveda Blvd., Suite 460
Los Angeles, CA 90045
Attn: Carol Liess
Fax: (310) 337-7413

Alfredo Izmajtovich is the Developer's authorized representative to administer and implement this Agreement.

[503] Full Disclosure

The Developer shall make full disclosure to the Commission of its principals, board members, major partners, joint venture partners, key managerial employees, other associates (collectively, "principals"), and all other material information concerning the Development, including education, experience, and qualifications of Developer and its principals whose identities, development experience, and qualifications are of great importance to the Commission and are the bases for the Commission to enter into this Agreement.

Any change of the principals of the Developer, with the exception of board members, must be approved by the Commission in its sole discretion during the term of this Agreement.

[600] Developer Financial Capacity and Financial Ability

Prior to approval and execution of the DDA by the Developer and the Commission, the Developer shall submit to the Commission evidence of its ability to finance the construction of the Development to the satisfaction of the Commission in its sole and reasonable discretion.

[700] Developer Pre-development Activities

[701] Public Participation

During the Negotiation Period, Developer must hold public meetings to obtain community comment on the Development. As requested by the Commission, the Developer must facilitate such public meetings and be prepared to report on and respond to questions and comments by the community.

[702] Developer's Findings, Determinations, Studies and Reports

Upon reasonable notice, as requested by the Commission in its sole discretion, the Developer shall provide written progress reports to the Commission on any matters, including plans and studies related to the Development.

[800] The Community Development Commission of the County of Los Angeles

[801] Office of the Commission

The principal office of the Commission is:
Community Development Commission of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
ATTENTION: William K. Huang, Director
Housing Development and Preservation Division

The Director of the Housing Development and Preservation Division is the Commission's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director of the Commission and Board of Commissioners.

[900] Commission Assistance and Cooperation

The Commission shall assist and cooperate in providing the Developer with appropriate information and assistance for the development of the Site, as the Commission determines in its sole discretion.

[1000] Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by the Commission

regarding the sale, transfer, or development of all or any part of the Site. Execution of this Agreement by the Commission is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board of Commissioners as to any DDA and all proceedings and decisions in connection therewith.

[Continued on Next Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES
a public body, corporate and politic

BY: _____
Carlos Jackson, Executive Director

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

BY: _____
Deputy

SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION OF LOS ANGELES
a California non profit corporation

BY: _____
Richard J. Whittingham,
Chief Financial Officer

HOMES FOR LIFE FOUNDATION
A California non profit corporation

BY: _____
Carol Liess, Executive Director