



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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August 30, 2022

ADOPTED

BOARD OF SUPERVISORS
 COUNTY OF LOS ANGELES

30 August 30, 2022

The Honorable Board of Supervisors
 County of Los Angeles
 383 Kenneth Hahn Hall of Administration
 500 West Temple Street
 Los Angeles, California 90012

CELIA ZAVALA
 EXECUTIVE OFFICER

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

Dear Supervisors/Commissioners:

**APPROVE AN OPTION TO LEASE AGREEMENT WITH ABODE COMMUNITIES AND
 PATH VENTURES FOR THE POTENTIAL DEVELOPMENT OF
 11269 GARFIELD AVENUE, DOWNEY, CA 90242
 (FOURTH DISTRICT) (3 VOTES)**

SUBJECT

This letter recommends approval of an Option to Lease Agreement with Abode Communities (Abode) and PATH Ventures (PATH), both California nonprofit public benefit corporations, for the development of Veteran Commons, an affordable and special needs housing project, which consists of 100 units for veterans and families, including one manager's unit (Project). The Project will be developed on County-owned property located at 11269 Garfield Avenue, Downey, CA 90242 (Property). The letter also recommends approval for the Los Angeles County Development Authority (LACDA) to act on behalf of the County in the negotiation and execution of an Option to Lease Agreement and Ground Lease.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the County has considered the enclosed exemption determination, which was prepared by the City of Downey as the lead agency; and find that this Project will not cause significant impact on the environment.

2. Find that the Property is exempt surplus land per Government Code section 54221(f)(1)(a). The County entered into an Exclusive Negotiating Agreement after a competitive bid for a 100 percent affordable housing project. The Property will be used to provide affordable housing to veterans and families within the County.
3. Approve the proposed Veteran Commons Project.
4. Authorize LACDA, its Executive Director, or designee, to act on behalf of the County and to execute on behalf of the County, the Option to Lease Agreement; and delegate authority to negotiate, and potentially approve the form of the resulting Ground Lease between the County, Abode, and PATH or their County-approved designees, to lease the property located 11269 Garfield Avenue, Downey, CA 90242, for the development of 100 affordable housing units.
5. Authorize LACDA, its Executive Director, or designee, to serve as the agent to the County to manage development of the proposed Project, including execution of the Ground Lease, upon satisfaction of the conditions set forth in the Option to Lease Agreement and approval as to form by County Counsel, and any other transaction documents consistent with, and/or necessary for, the implementation of the foregoing approvals, including execution of any amendments to the foregoing documents.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS, ACTING AS THE COMMISSIONERS OF LACDA:

1. Acting as a responsible agency pursuant to CEQA, certify that LACDA has considered the exemption determination for the proposed Project, which was prepared by the City of Downey as lead agency, and find that the proposed Project will not cause significant impact on the environment.
2. Approve the designation of LACDA to serve as the agent of the County to manage the development of the proposed Project.
3. Find that the Property is exempt surplus land per Government Code section 54221(f)(1)(a). The County entered into an Exclusive Negotiating Agreement after a competitive bid for a 100 percent affordable housing project. The Property will be used to provide affordable housing to veterans and families within the County.
4. Authorize the Executive Director, or designee, to negotiate and execute, on behalf of the County, the Option to Lease Agreement between the County, Abode, and PATH, or their County-approved designees, to lease the Property for the development of 100 affordable housing units.

5. Authorize the Executive Director, or designee, to execute a Ground Lease, upon satisfaction of the conditions set forth in the Option to Lease Agreement and approval as to form by County Counsel, and any other additional transaction documents consistent with, and/or necessary for, the implementation of the foregoing approvals, including execution of any amendments to the foregoing documents.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to authorize the execution and implementation of an Option to Lease Agreement and Ground Lease, as well as any ancillary documentation with Abode and PATH for the development of 100 affordable housing units, including one manager's unit, on the County-owned Property. The proposed development of the Property presents an opportunity to advance the County's key objectives for the area, which include beautifying the neighborhood and creating affordable housing opportunities for veterans and families with limited means.

Implementation of Strategic Plan Goals

The approval of the proposed Project and Option to Lease Agreement is consistent with the following Strategic Goals and Objectives: 1) Countywide Strategic Plan Goal 1 - to make investments that transform lives; 2) Strategic Asset Management Goal - to prioritize needs to optimize highest and best use of assets; and 3) Key Objective 5 - to fund highest priority needs. The proposed project supports these goals and objective by addressing the County's homeless crisis and transforming a County-owned asset into safe, decent, affordable, and supportive housing that will serve the needs of veterans that are homeless or at risk of homelessness and families with limited means.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund as a result of the actions contemplated in this letter. During the term of the Option to Lease Agreement, the County, Abode, and PATH will negotiate a Ground Lease, which will incorporate a 75-year lease term which will require annual rent to be paid from residual receipts. The proposed Project was previously awarded \$7,000,000 in County General Fund including 45 Project Based Veteran Affairs Supportive Housing Vouchers and five Project Based Vouchers from LACDA's Notice of Funding Availability 27A. The proposed Project is pursuing additional financing from the State's Multifamily Housing Program and Low-Income Housing Tax Credit Program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 14, 2019, the Board authorized the execution of an Exclusive Negotiation Agreement with Abode and PATH, through LACDA, to negotiate the potential development of an affordable and supportive housing development for veterans and families. The County-owned Property is comprised of one parcel, approximately 97,400 square feet in size (2.23 acres), which was formerly occupied by the American Legion Hollydale Post.

The proposed Project would create approximately 93,482 square feet of residential space with 100 units, comprised of 50 one-bedroom, 40 two-bedroom, and 10 three-bedroom units. Common area amenities include covered walkways, gathering areas, native landscaping, a barbeque, children play areas, a roof garden, laundry rooms, a resident center, community courtyards, offices for management and supportive services staff, and 70 parking spaces.

All units will be reserved for households earning 30 percent of area median income and 60 percent of area median income, including one two-bedroom unit reserved for an on-site property manager. Fifty percent of the units will be set-aside as supportive housing for veterans experiencing homelessness or at risk of homelessness, and the remaining 50 percent will be set-aside for low-income families, with a preference for veteran families.

Abode and PATH have extensive track records of developing and managing quality affordable housing, including supportive housing for veterans. Founded in 1968, Abode is a non-profit affordable housing developer and operator that has created nearly 2,950 affordable rental homes throughout Southern California. PATH, a non-profit organization, is recognized as one of the largest homeless service providers in the state. Since its inception in 2007, PATH has developed more than 750 affordable units.

Consistent with the terms outlined in the solicitation process, LACDA, on behalf of the County, is now prepared to negotiate and execute an Option to Lease Agreement that would provide Abode and PATH with the option to enter into Ground leases, pursuant to Government Code section 25539.4.

Under the terms of the Option to Lease Agreement, the County will grant Abode and PATH an exclusive option to enter into a Ground Lease, provided that the following conditions are met:

1. The proposed Project has received CEQA clearances.
2. The proposed Project has obtained building permits.
3. The proposed Project has secured all financing - public and private loans (construction and permanent), including an allocation of low-income housing tax credits financing.

LACDA will receive Chief Executive Office written approval on the Option to Lease Agreement prior to execution, which will include a reasonable schedule for the Developer to exercise its option and begin development of the site. During the term of the Option to Lease Agreement, the County, Abode, and PATH will negotiate and agree to a Ground Lease, which will incorporate a 75-year lease term, with annual rent to be repaid from a portion of residual receipts.

ENVIRONMENTAL DOCUMENTATION

The proposed Project has been reviewed by the County and LACDA, pursuant to the requirements of CEQA. On July 5, 2022, the City of Downey determined that the development is not subject to CEQA, as the development is located within the Rancho Los Amigos South Campus Specific Plan Transit Oriented Development District, which permits and encourages multi-family developments by right. The proposed Project has been found to be consistent with the City of Downey's General Plan and the development standards of the Rancho Los Amigos South Campus Specific Plan. The County and LACDA's consideration of this determination satisfies the requirements of CEQA.

CONTRACTING PROCESS

Abode and PATH were selected as part of a Request for Proposals that was issued on January 9, 2019, by LACDA, acting on behalf of the County. In addition to being responsive to the County's vision, Abode and PATH were able to show an understanding of the needs of the neighborhood, demonstrated the expertise and financial capacity to implement the Project, provided a reasonable financing plan, and presented a quality development that complemented the surrounding community. On September 24, 2019, the County approved an Exclusive Negotiating Agreement with Abode and PATH to negotiate the potential development of the Property.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed actions will increase affordable housing and supportive services for veterans and families.

Honorable Board of Supervisors/Commissioners
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CONCLUSION

It is requested that the Executive Office of the Board of Supervisors return one certified copy of the Minute Order and an adopted stamped copy of this Board letter to the Chief Executive Office, Real Estate Division, 320 West Temple Street, 7th Floor, Los Angeles, CA 90012 for further processing. Additionally, please forward one adopted, stamped copy of the Board letter to LACDA, 700 West Main Street, Alhambra, CA 91801.

Respectfully submitted,



FESIA A. DAVENPORT
Chief Executive Officer

Kathleen
Thomas

EMILIO SALAS
Executive Director
Los Angeles County Development Authority

Digitally signed by: Kathleen Thomas
DN: CN = Kathleen Thomas email = kathy.thomas@lacda.org C = US O = LACDA OU
Executive Office
Date: 2022.08.05 16:16:33 -08'00'

FAD:JMN:JTC
JLC:MR:gw

Enclosure

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller



City of Downey

July 5, 2022

Audrey Hahn
 Project Manager, Development
 Abode Communities
 1149 S. Hill Street, Suite 700
 Los Angeles, CA 90015

Re: Approval for 11269 Garfield Avenue, Downey CA 90241 (PLN-22-00030)
 APN: 6234-008-901

Dear Ms. Hahn,

This letter provides a general summary of the current status of the project submitted on March 1, 2022 (PLN-22-00030).

On June 24, 2022, the City of Downey Community Development Department approved the application for the 100-unit Veteran Commons housing development. The project will include 99 affordable dwelling units, and one manager's unit. The project is not subject to the California Environmental Quality Act (CEQA), as the project is located within the Rancho Los Amigos South Campus Specific Plan (RLASCSP) Transit Oriented Development district, which permits and encourages multi-family developments by right. As the project is sponsored by the County of Los Angeles, the project has been processed via the City's consultation process (administrative streamline process). The project has been found to be consistent with the City of Downey's General Plan and the development standards of the RLASCSP and is deemed approved, as described below. As a matter of process the project has been preliminarily reviewed by the City of Downey Fire Department but, the project will have to obtain permits from the Fire Department prior to commencement of construction.

The proposed project includes the following:

- A new four (4) story, 52-foot high, 100-unit apartment building consisting of the following:
 - Units:
 - 1-Bedroom - 50 units
 - 2-Bedrooms - 40 units
 - 3-Bedrooms - 10 units
 - Total 100 units
 - Parking: 58 spaces (in compliance with AB 2345)
 - Open Space: 20,140 sf
 - Landscaping: 19,011 sq.ft.
 - Bicycle Parking: 55 stalls

Future Unlimited

CIVIC CENTER
 11111 BROOKSHIRE AVE.
 PO BOX 7016
 DOWNEY, CALIFORNIA
 90241-7016
 562-869-7331
www.downeyca.org

LIBRARY
 11121 BROOKSHIRE AVE
 DOWNEY, CALIFORNIA
 90241-7016
 562-904-7360
www.downeylibrary.org

POLICE DEPARTMENT
 10911 BROOKSHIRE AVE.
 PO BOX 7016
 DOWNEY, CALIFORNIA
 90241-7016
 562-861-0771

PARKS & RECREATION
 7850 QUILL DR.
 DOWNEY, CALIFORNIA
 90242
 562-904-7238

UTILITIES DIVISION
 9252 STEWART & GRAY RD.
 DOWNEY, CALIFORNIA
 90241-7016
 562-904-7202

MAINTENANCE SERVICES
 12324 BELLFLOWER BLVD.
 DOWNEY, CALIFORNIA
 90242
 562-904-7194

**11269 Garfield Avenue
Veteran Commons Housing Development**

- Resident Center: 2,061 sq.ft.
- Conference Center: 357 sq.ft.
- Recreation Room: 675 sq.ft.
- Property Management and Case Manager Offices: Seven (7)
(approximately 1,090 sq.ft.)
- Per plans submitted on June 30, 2022, the building will include a modern design, with varying building heights, and modulation on all building facades. The buildings will include a primary white stucco finish, with additional shades of grey, brown and dark brown stucco colors, brown, fiber cement, horizontal siding, decorative wrought iron railing, and metal shading window surrounds
- The project will include 19,011 square feet of landscaped area, and will include a total of 65 trees as follows:
 - 48" box trees: 7
 - 36" box trees: 8
 - 24" box trees: 22
 - 15 gal. trees: 26
 - Existing trees: 2

Tree location, species and size per the Landscape Plan included in the architectural plans submitted on June 20, 2022.

After evaluation of the Veteran Commons housing development, the City is able to make General Plan Consistency findings to determine the project is consistent with the goals and policies of the adopted City of Downey General Plan. In reviewing the General Plan, the project is consistent with the following goals, policies, and programs of the General Plan.

Land Use

- Goal 1.1 – Provide sufficient land areas for uses that serve the needs of residents, visitors, and businesses
 - Policy 1.1.2 – Provide an appropriate amount of land area to absorb the City's future population growth.
 - Program 1.1.2.1 – Identify areas to absorb population growth and support additional housing.
 - Program 1.1.2.3 – Promote housing projects and mixed-use projects that include housing within designated for the downtown area, transit-oriented developments, and areas in the vicinity of the Downey Landing project.

Housing

- Goal 1 – Encourage a variety of housing types to meet the existing and future needs of City residents.
 - Policy 1.1 – Accommodate a variety of housing types to meet the needs of all residents.
 - Policy 1.2 – Encourage and facilitate a range of housing to accommodate the City's share of regional housing and special housing needs.

11269 Garfield Avenue
Veteran Commons Housing Development

- *Policy 1.3 – Implement land use policies and standards that allow for a range of residential densities and housing types that will enable households of all types and income levels opportunities to find suitable ownership and rental housing in the City.*
- *Policy 1.4 - Encourage the development of residential units and the provision of related services for special needs groups, including the elderly, large households, single parents, persons with disabilities, extremely low-income persons, and persons experiencing homelessness.*
- *Policy 1.5 - Encourage infill development and recycling of land to provide adequate residential sites.*
- *Goal 2 – Assist in the development of adequate housing and provide resources to meet the needs of low- and moderate-income and special needs households.*

In reviewing the RLASCSP, the project is consistent with the following RLASCSP Guiding Principles:

- *Guiding Principle #2 – Balanced, flexible, and diverse land uses that support economic development and additional housing opportunities.*
- *Guiding Principle #7 – Encourage transit-supportive development throughout the Specific Plan area, and provide a balanced mix of land uses adjacent to transportation centers and mobility corridors.*

As the property is will be developed with 100% affordability, units offered for rent to lower-income and very low-income households shall be made available for rent at an affordable rent and shall remain restricted and affordable to the designated income group for a minimum period of thirty (30) years. Since this project is 100% affordable, this project can incorporate the state parking density bonuses per AB 2345.

Therefore, as proposed, the Veteran Commons housing development complies with the development standards of the TOD district of the RLASCSP. In addition, the project provides additional housing opportunities, specifically within ½-mile of the future Metro Gardendale Transit Station, provides housing and resources to meet the needs of low- and very low-income households and special needs groups, and helps fulfill the City's regional housing needs. As such, staff finds that the proposed Veteran Commons 100-unit development is consistent with the objectives, polices, and programs of the City of Downey's General Plan and the RLASCSP Guiding Principles.

11269 Garfield Avenue
Veteran Commons Housing Development

If you have any questions regarding the letter, please contact Guillermo Arreola at 562-904-7154 or via email at garreola@downeyca.org

Regards,

A handwritten signature in black ink, appearing to read 'Crystal Landavazo', written over a horizontal line.

Crystal Landavazo
Interim Community Development Director

Community Development Department
11111 Brookshire Avenue
Downey, CA 90241
Planning Department
(562) 904-7154