



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
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Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

October 11, 2011

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

Dear Commissioners:

**APPROVE USE OF INDUSTRY FUNDS FOR ENTITLEMENT SERVICES ASSOCIATED WITH
NINE SCATTERED SITES IN UNINCORPORATED ATHENS AND WILLOWBROOK
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends that your Board approve the use of City of Industry (Industry) funds for entitlement services at nine properties, currently owned by the Community Development Commission, which will generate approximately 20 for-sale single-family homeownership units in unincorporated Athens and Willowbrook. This letter relates to an item on the agenda of the Board of Commissioners of the Community Development Commission to approve a Development Consultant Agreement with Dream America Community Development Corporation (Dream America) for entitlements at the properties.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Executive Director or his designee to use a total of up to \$1,226,170 in Industry funds for a Development Consultant Agreement between the Community Development Commission (Commission) and Dream America, which includes \$111,470 in set-aside funds for unforeseen project costs, to provide entitlement services at nine Commission-owned properties.
2. Authorize the Executive Director or his designee to incorporate up to \$1,226,170 in Industry funds into the Housing Authority's approved Fiscal Year 2011-2012 budget for the purposes described above.
3. Find that the use of Industry funds to provide entitlement services at nine Commission-owned properties is not subject to the provisions of the California Environmental Quality Act (CEQA), as

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

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Sachi A. Hamai
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EXECUTIVE OFFICER

described herein, because it does not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to authorize the use of up to \$1,226,170 in Industry funds for the purpose of securing entitlements at nine Commission-owned properties, located at 11137 Budlong Avenue, 1228 W. 93rd Street, 1346 W. 93rd Street, 1310 W. 94th Street, 1307 W. 109th Street, 1932 E. 119th Street, 2026 E. 119th Street, 11909 Willowbrook Avenue, and 12031 Willowbrook Avenue in the unincorporated areas of Athens and Willowbrook.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The recommended allocation will provide up to \$1,114,700 in Industry funds for predevelopment costs associated with securing entitlements at nine Commission-owned properties.

A 10% contingency, in the amount of \$111,470, in Industry funds is also being set aside for unforeseen entitlement costs. The contingency amount is recommended to prevent any delays in obtaining entitlements.

Up to \$1,226,170 in Industry funds will be incorporated into the Housing Authority's approved Fiscal Year 2011-2012 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 11, 2008, the Commission issued a Request for Proposals to construct for-sale homeownership units at 12 non-contiguous Commission-owned parcels. Three proposals were submitted by the March 28, 2008 deadline, and, following evaluation and scoring under technical review and design categories, one developer was selected. The proposal submitted met all threshold requirements and received a score of 809 out of 1,000 possible points. The two remaining proposals scored less than the minimum 630 points required.

On October 7, 2008, the Board of Commissioners of the Community Development Commission approved a one-year Exclusive Right to Negotiate Agreement (ERN) between the Commission and Mayans Development, Inc.; however, due to the housing crisis and prolonged unfavorable market conditions, the project did not proceed, and the ERN has since expired.

The intent of the project was to develop for-sale housing, of which 51% of the total units would be reserved for low-income qualified buyers whose incomes do not exceed 80% 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.

Recent improvements in the housing market support proceeding with the project, thus the Commission is ready to proceed with the entitlements of these properties. A recommendation is being made to allocate Industry funds to Dream America, which is the non-profit branch of the original developer Mayans Development, Inc., for the purposes of securing entitlements for the properties. During the entitlement period, the Commission will retain ownership of the land; however, execution of the Development Consultant Agreement will allow Dream America to act as

an agent on behalf of the Commission for only the entitlement services for the mentioned properties.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the allocation of Industry funds will facilitate the entitlement of nine Commission-owned properties to prepare them for the development of for-sale housing to low-income homebuyers in the County of Los Angeles.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line extending to the right.

SEAN ROGAN

Executive Director

SR:jr