



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Cordé D. Carrillo
Acting Executive Director

May 12, 2009

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

ADOPTED

Community Development Commission

3-D MAY 12, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**AMENDMENT NO. 1 TO THE OWNER PARTICIPATION AGREEMENT WITH
DOKHY LLC FOR COMMERCIAL DEVELOPMENT IN THE MARAVILLA
COMMUNITY REDEVELOPMENT PROJECT AREA
(DISTRICT 1) (3 VOTE)**

SUBJECT

This letter recommends approval of Amendment No. 1 to the Owner Participation Agreement with Dokhy LLC. Amendment No. 1 sets forth terms and conditions for the completion of off-site improvements for a commercial development in the Maravilla Community Redevelopment Project (MCRP) area, and provides an additional \$75,000 in MCRP tax increment funds.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of Amendment No. 1 to the Owner Participation Agreement is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Approve and authorize the Acting Executive Director to execute Amendment No. 1 to the Owner Participation Agreement with Dokhy LLC to complete off-site improvements for a commercial development using an amount not to exceed \$75,000 in MCRP tax increments funds approved in the Community Development Commission's approved 2008-2009 budget.

3. Authorize the Acting Executive Director to incorporate into the Commission's Fiscal Year 2008-2009 budget a total of \$75,000 in MCRP tax increment funds to complete off-site improvements for the commercial development.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the Amendment No. 1 to the OPA between the Commission and Dokhy LLC. Amendment No. 1 sets forth terms and conditions for the completion of off-site improvements for a commercial development in the MCRP area. The development will include a sit-down restaurant, two quick-service restaurants, and two office uses. Dokhy LLC is a local developer with other similar retail developments.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Commission will provide up to \$75,000 in MCRP tax increment funds for off-site improvements. Dokhy LLC will finance construction and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 20, 1973, the Board of Supervisors adopted the Redevelopment Plan and subsequent amendments for the one-third of a square mile MCRP area. The Redevelopment Plan calls for the planned orderly growth of the MCRP area, including: removal of slum and blight; redevelopment and rehabilitation of existing lots and structures; development of commercial/retail space; and development of affordable housing in designated areas.

On April 15, 2008, your Board approved a Resolution and Owner Participation Agreement between the Commission and Dokhy LLC for the conveyance of Commission property and construction of a new commercial development in the MCRP area. Your Board also approved \$150,000 in MCRP tax increments funds for off-site improvements. Total off-site improvements were estimated at \$300,000 of which Dokhy LLC was to pay \$150,000.

An additional \$150,000 in costs has been identified for the completion of off-site improvements based on the County Department of Public Works development requirements for this Project of which it is proposed the Commission pay up to \$75,000. Dokhy LLC will be responsible for the initial \$75,000 of additional costs. Amendment No. 1 will revise the formula for financial assistance for off-site costs such that Dokhy LLC will pay the first \$225,000, the Commission will pay up to the next \$225,000 and Dokhy LLC will pay any amount beyond a total of \$450,000 in off-site improvements.

County Counsel has approved Amendment No. 1 as to form. The Commission and County Counsel negotiated the attached Amendment No. 1 with Dokhy LLC. The

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Maravilla Community Advisory Committee has received information and supports the proposed development.

ENVIRONMENTAL DOCUMENTATION

This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Pursuant to the requirements of the California Environmental Quality Act (CEQA), and consistent with CEQA Guidelines, as Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the commercial development project. The Board of Commissioners' adoption of the IS/MND on April 15, 2008, and filing of a Notice of Determination, meets the requirements of CEQA.

IMPACT ON CURRENT PROJECT

Approval of Amendment No. 1 to the OPA will help complete off-site improvements to the new commercial development in the MCRP area. This commercial development will increase employment opportunities for local residents in accordance with the Redevelopment Plan.

Respectfully submitted,



CORDE D. CARRILLO
Acting Executive Director

Attachments: 1

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES
AMENDMENT NO. 1
TO THE OWNER PARTICIPATION AGREEMENT

THIS AMENDMENT NO. 1 ("Amendment") TO THE OWNER PARTICIPATION AGREEMENT ("OPA") is made and entered into this ____ day of _____, 2009, by the Community Development Commission of the County of Los Angeles, hereinafter referred to as the "Commission", and Dokhy LLC, a California Limited Liability Company, hereinafter referred to as the "Participant".

WITNESSETH THAT:

WHEREAS, the Commission and the Participant entered into an OPA dated May 2, 2008, to provide for the development of a commercial center, hereinafter referred to the "Site", in the Maravilla Community Redevelopment Project area; and

WHEREAS, the Participant is responsible for all off-site improvements required by the County Department of Public Works necessary for the development of the Site; and

WHEREAS, the Commission and the Participant desire that the Participant construct off-site improvements for the Site for an additional not to exceed \$150,000, which is in addition to the previous estimate of \$300,000 for off-site improvements for a new estimate of \$450,000; and

WHEREAS, the Commission would fund up to \$75,000 for the additional cost of off-site improvements required by the development of the Site and the Participant would be responsible for \$75,000 of such costs for a total of \$150,000; and

WHEREAS, in order to give binding legal effect to the foregoing, it now becomes necessary to amend the OPA, and both parties are desirous of such an amendment.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that said OPA be amended as follows:

1. Section 309 - Off-Site Improvements of Section III, DEVELOPMENT OF SITE, shall be amended as follows:

The Participant shall be responsible for all public improvements required by the County Department of Public Works necessary for the development of the Site. The Participant shall be solely responsible for the initial Two Hundred Twenty-

IN WITNESS WHEREOF, the Commission and Participant, through their duly authorized officers, have executed this Amendment No. 1 to the OPA as of the date first written.

PARTICIPANT:

DOKHY LLC

By: _____
David Ahdoot, Manager

COMMISSION:

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

By: _____
CORDE CARRILLO, Acting Executive Director

APPROVED AS TO PROGRAM:

By: _____
WILLIAM JOHNSON, Acting Director
Economic/Redevelopment Division

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Behnaz Tashakorian
Deputy