



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Chief Executive Officer

"To Enrich Lives Through Effective And Caring Service"

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September 26, 2017

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

The 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 Supervisors and Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 September 26, 2017

LORI GLASGOW
EXECUTIVE OFFICER

**APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH
INTEGRAL DEVELOPMENT, LLC FOR THE POTENTIAL DEVELOPMENT OF 11739 HOLMES
AVENUE, 11731 HOLMES AVENUE AND 1758 117TH STREET IN UNINCORPORATED
WILLOWBROOK AND DELEGATE AUTHORITY TO THE COMMUNITY DEVELOPMENT
COMMISSION TO ACT AS AGENT ON BEHALF OF THE COUNTY WITH REGARD TO SUCH
AGREEMENT TO NEGOTIATE EXCLUSIVELY
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT

This letter recommends approval of an Agreement to Negotiate Exclusively, presented in substantially final form, between the County of Los Angeles, acting through its agent the Community Development Commission of the County of Los Angeles, and Integral Development LLC, a Georgia limited liability company, to negotiate the potential development of a project that would include affordable housing for low-income and special needs households and related community space at the properties located at 11739 Holmes Avenue, 11731 Holmes Avenue and 1758 117th Street, all located in unincorporated Willowbrook. This letter also recommends that the Board of Supervisors delegate authority to the Community Development Commission to act as the agent on behalf of the County of Los Angeles with regard to the negotiation and execution of the Agreement to Negotiate Exclusively.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and delegate authority to the Commission to act on behalf of the County to negotiate, execute, implement, and if necessary, amend, extend, or terminate the Agreement to Negotiate Exclusively with Integral, presented in substantially final form, among the County of Los Angeles and Integral Development LLC, for the negotiation of the potential development of the properties located at 11739 Holmes Avenue, 11731 Holmes Avenue, and 1758 117th Street, all located in unincorporated Willowbrook.
2. Find that approval of this action, as described herein, is not subject to the provisions of the California Environmental Quality Act, because the action does not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment.

IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Approve and authorize the Executive Director, or his designee, to accept the delegated authority to act on behalf of the County of Los Angeles, to negotiate, execute, implement, and if necessary, amend, extend, or terminate an Agreement to Negotiate Exclusively, presented in substantially final form, among the County of Los Angeles and Integral Development LLC, for the negotiation of the potential development of the properties located at 11739 Holmes Avenue, 11731 Holmes Avenue, and 1758 117th Street, all located in unincorporated Willowbrook.
2. Authorize the Executive Director, or his designee, to enter into a period of negotiation for 180 days and to extend the term of the Agreement to Negotiate Exclusively for a maximum of two 90-day extensions, if needed.
3. Authorize the Executive Director, or his designee, to collect deposits and fees in connection with the terms of the Agreement to Negotiate Exclusively and to administer the expenses and accounting associated with the Agreement to Negotiate Exclusively.
4. Find that approval of this action, as described herein, is not subject to the provisions of the California Environmental Quality Act, because the action does not commit the Commission to a project and will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to (1) authorize execution of the Agreement to Negotiate Exclusively (ANE), presented in substantially final form, between the County of Los Angeles (County) and Integral Development LLC (Integral), to allow for the negotiation of necessary agreements for the potential development of the properties located at 11739 Holmes Avenue, 11731 Holmes Avenue, and 1758 117th Street, all located in unincorporated Willowbrook (collectively, Property); and (2) delegate authority to the Community Development Commission (Commission) to act on behalf of County with regard to the ANE. The County-owned properties located at 11731 Holmes Avenue and 1758 117th Street (County Property) were designated for disposition and potential housing development in the County's Long Range Property Management Plan, as approved by the State Department of Finance during the implementation of the State's dissolution of redevelopment agencies. The dissolution laws required the County's redevelopment agency, the Commission, to transfer the County Property to the County.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund as a result of the actions contemplated in this letter. If negotiations with Integral are successful, the County will return to your Board with negotiated agreements for review and approval and will provide fiscal impact/financing analysis at that time.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is interested in entering into an ANE with Integral to determine if the parties can reach agreement on terms to develop the Property with affordable housing and supportive services for low-income and special needs uses. The Property is located in a community in great need of affordable housing. Integral has an option and is in the process of acquiring a parcel from Charles Drew University at 11739 Holmes Avenue, which is adjacent to the County Property. The County now requests authorization to execute the ANE with Integral, under its authority set forth at Government Code Section 25539.4. The Commission would act as agent on behalf of County with regard to the ANE.

The ANE will include the following terms:

- An initial term of 180 days with options to extend the term for a maximum of two 90-day periods, if needed.
- An initial ANE deposit of \$25,000 which may be replenished to cover the transaction expenses.
- Neither the Commission nor County shall be responsible for reimbursing Integral for any expenses it incurs to assess the feasibility of a housing development project at the Property.

If negotiations with Integral are successful, the County and the Commission will return to the Board with negotiated agreements approved by County Counsel for the Board's consideration.

ENVIRONMENTAL DOCUMENTATION

The action is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project pursuant to Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment. The County is only seeking authority to negotiate potential agreements under the ANE. No commitment to any project is being made at this time. CEQA review requirements must be completed before any commitment to a project occurs.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed actions will allow the County to explore whether it can increase affordable housing and supportive services for low-income households within the unincorporated area of Willowbrook.

Honorable Board of Supervisors/Commissioners
September 26, 2017
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Respectfully submitted,


SACHI A. HAMAI
Chief Executive Officer

SAH:SR
DPH:JC:ls


SEAN ROGAN
Executive Director

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