

MOTION BY SUPERVISOR JANICE HAHN

September 24, 2019

Authorize the Negotiation and Execution of an Exclusive Negotiation Agreement with Abode Communities and PATH Ventures for the Potential Development of 11269 Garfield Avenue, Downey, CA 90242

The County of Los Angeles (County), acting through the Los Angeles County Development Authority (LACDA), is interested in entering into an Exclusive Negotiation Agreement (ENA) with Abode Communities and PATH Ventures (Abode and PATH) to determine if the parties can reach an agreement on the terms to potentially develop County-owned property with an affordable housing project at 11269 Garfield Avenue, Downey, CA 90242 (Property). The project would include 100 residential units with supportive housing for veterans (Proposed Project).

The Property, which was formerly occupied by the American Legion Hollydale Post, is comprised of one parcel, approximately 97,400 square feet in size. The County demolished the building and cleared the site in December 2018. The Proposed Project presents an opportunity to advance the County’s key objectives for the area, which include enhancing the community in the City of Downey and creating supportive housing opportunities for veterans.

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Abode and PATH were procured through a Request for Proposals (RFP) that was issued on January 9, 2019, by the LACDA, acting on behalf of the County. Of the six proposals that responded to the RFP, Abode and PATH's proposal received the highest score. Both non-profit firms have extensive track records of developing and managing quality affordable housing, including housing for veterans. 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 proposed project, provided a reasonable financing plan, and presented a quality development that will complement the surrounding community.

The Proposed Project would create approximately 88,200 square feet of residential space with 100 affordable units, comprised of 50 one-bedroom, 40 two-bedroom and 10 three-bedroom units. All units will be reserved for households earning between 30 percent and 60 percent of Area Median Income, with one 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. The remaining units will serve families with limited means, with a preference for veteran families.

The Proposed Project features over 14,000 square feet of open space and a 4,400 square-foot community serving space. Project amenities would include two lobbies, a 1,500 square foot resident center, laundry facilities, community courtyards, offices for management and supportive services staff, and 70 parking spaces. In addition, the development proposal includes commercial space for a 2,900 square-foot

Workforce Development Hub that will offer economic enrichment opportunities to residents and the community.

As part of its proposal, Abode and PATH included a stakeholder engagement strategy that incorporates working with residents that live in close proximity to the project area and including other key stakeholders from the cities of Downey and South Gate. The outreach strategy includes conducting a series of community meetings in an open house format, one-on-one meetings with affected stakeholders, community workshops, focus groups, project workshops, and other engagement activities to encourage input on the project design, housing needs, and to garner support for the Proposed Project.

To fully vet this proposal, the County should enter into this ENA with Abode and PATH. During the ENA period, Abode and PATH can pursue all required land use entitlements, and the parties can negotiate the terms of a ground lease agreement. The Proposed Project is a preliminary proposal that is subject to change through negotiations and input derived from the community outreach efforts. The ENA 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.
- A non-refundable ENA fee of \$25,000 and an initial ENA deposit of \$25,000, which may be replenished to cover the transaction expenses.

No commitment to any project is being made at this time and review pursuant to the California Environmental Quality Act (CEQA) must be completed before any commitment to a project occurs.

I THEREFORE MOVE that the Board of Supervisors:

1. Find that approval of these proposed actions is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and 15378, because these actions do not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment;
2. Delegate authority to the Los Angeles County Development Authority (LACDA) to act on behalf of the County to negotiate and execute an Exclusive Negotiation Agreement with Abode and PATH, following approval as to form by County Council, by and among the County and Abode and PATH for the negotiation of the potential development of County-owned property located at 11269 Garfield Avenue in the City of Downey, which will have a term of 180 days with the option to extend for a maximum of two 90-day extensions, at the discretion of the LACDA and its Executive Director, or her designee;

I FURTHER MOVE that the Board of Supervisors, acting as the Commissioners of the Los Angeles County Development Authority:

1. Find that approval of these proposed actions is not subject to CEQA pursuant to CEQA Guidelines Section 15061(b)(3) and 15378, because these actions do not commit the County of Los Angeles to a project and will not have the potential for causing a significant effect on the environment;
2. Authorize the LACDA to serve as the agent of the County and authorize the Executive Director, or her designee, to:

- a. Enter into an Exclusive Negotiation Agreement (ENA) with Adobe Communities and PATH for a 180-day period with the option to extend the term for a maximum of two 90-day extensions, to negotiate the potential development of County-owned property located at 11269 Garfield Avenue in the City of Downey (Property);
- b. Execute any and all related or ancillary documents or amendments to the ENA necessary to effectuate the action authorized hereby; and
- c. Collect deposits and fees in connection with the terms of the ENA and to administer the expenses and accounting associated with the ENA.

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