The Successor Agency to the Compton Community Redevelopment Agency, is a distinct and separate legal entity from the City of Compton, and was established by Resolution No. 1, adopted on February 7, 2012. The Successor Agency is limited to the assets and liabilities of the dissolved Community Redevelopment Agency (CRA) of the City of Compton and shall have the authority to perform the functions and duties described in Part 1.85 to Division 24 of the California Health and Safety Code.

GOVERNING BODY OF THE SUCCESSOR AGENCY
AGENDA
02/04/2020
6:00 PM

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

1. OCTOBER 8, 2019
   JANUARY 7, 2020

NEW BUSINESS

2. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND KBK ENTERPTISES LLC TO WORK OUT THE TERMS AND CONDITIONS OF A PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION AND DEVELOPMENT OF CERTAIN SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 501-545 EAST COMPTON BOULEVARD FOR A PROPOSED MIXED USE DEVELOPMENT

ADJOURNMENT

OCTOBER 8, 2019

The Governing Body of the Successor Agency meeting was called to order at 8:17 p.m. in the Council Chambers of City Hall by Chairperson Pro Tem Emma Sharif.

ROLL CALL

Directors Present: McCoy, Sharif, Brown
Directors Absent: Chambers, Galvan

Other Officials Present: D. Brown, A. Godwin, C. Cornwell

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Robert Ray, Compton resident, informed the community that the American Red Cross will install free smoke detectors to households in the City of Compton.

Benjamin Holifield, President/Founder Compton Business Chamber of Commerce, expressed his hopes for Compton to be a safe, clean and friendly All American City.

David Irons, Historical Landmark Committee, commented on how blessed his life has been and further indicated that he is willing to serve the community.

Kevin Brown, Compton resident**,** stated that he would like to assist in cleaning up the City of Compton.

Miller Martin, Compton resident, requested more Compton Sheriffs' Deputies to patrol his neighborhood to prevent the constant drag racing in the area.

Lynn Boone, Compton resident, spoke on the issue of personnel matters relating to the previous Grants Manager.

Joyce Kelly, Compton resident, requested that the Agency Members re-read the Brown Act, and indicated that her right to speak on each item of the agenda are being violated.

APPROVAL OF MINUTES

1. SEPTEMBER 24, 2019

On motion by McCoy, seconded by Sharif, the minutes were approved by the following vote on roll call:

AYES: Directors - McCoy, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Chambers, Galvan

NEW BUSINESS

2. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LEGAL SERVICES RETAINER AGREEMENT WITH RICHARDS, WATSON & GERSHON FOR FISCAL YEAR 2019-2020 ($38,381)

On motion by McCoy, seconded by Sharif, **Resolution Number 99** entitled **'A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LEGAL SERVICES RETAINER AGREEMENT WITH RICHARDS, WATSON & GERSHON FOR FISCAL YEAR 2019-2020'** was adopted by the following vote on roll call:

AYES: Directors - McCoy, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Chambers, Galvan

ADJOURNMENT

On motion by Sharif, seconded by McCoy, the meeting was adjourned at 8:33 p.m. by the following vote on roll call:

AYES: Directors - McCoy, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Chambers, Galvan

Secretary of the Successor Agency

Chairperson of the Successor Agency

JANUARY 7, 2020

The Governing Body of the Successor Agency meeting was called to order at 9:35 p.m. in the Council Chambers of City Hall by Chairperson Aja Brown.

ROLL CALL

Directors Present: **Galvan, McCoy, Sharif, Brown**
Directors Absent: **Chambers** *(Entered the meeting at 9:38 p.m.)*

Other Officials Present: **D. Brown, A. Godwin, C. Cornwell**

PUBLIC COMMENTS ON AGENDA AN NON-AGENDA ITEMS

Benjamin Holifield, Compton resident, requested that the City provide the residents with a newspaper or communication bulletin so that the community may be informed of what is happening in the City of Compton.

Joyce Kelly, raised the issue of the homeless crises and further stated that she cannot afford the rent in Compton. Ms. Kelly urged the City to address the homeless crisis.

(Galvan out at 9:37 p.m.)

APPROVAL OF MINUTES

1. SEPTEMBER 24, 2019
   NOVEMBER 12, 2019

On motion by McCoy, seconded by Sharif, the minutes were approved by the following vote on roll call:

AYES: Directors - Chambers, McCoy, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Galvan

NEW BUSINESS

2. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE RECOGNIZED OBLIGATIONS AND PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2020 TO JUNE 30, 2021

On motion by Sharif, seconded by Chambers, **Resolution Number 100** entitled **'A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE RECOGNIZED OBLIGATIONS AND PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2020 TO JUNE 30, 2021**' was adopted by the following vote on roll call:

AYES: Directors - Chambers, McCoy, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Galvan

3. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE SUCCESSOR AGENCY RECOGNIZED OBLIGATIONS AND PAYMENT SCHEDULE 2020-2021 FOR THE PERIOD OF JULY 1, 2020 TO JUNE 30, 2021

On motion by Sharif, seconded by McCoy, **Resolution Number 101** entitled **'A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE SUCCESSOR AGENCY RECOGNIZED OBLIGATIONS AND PAYMENT SCHEDULE 2020-2021 FOR THE PERIOD OF JULY 1, 2020 TO JUNE 30, 2021'** was adopted by the following vote on roll call:

AYES: Directors - Chambers, McCoy, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Galvan

(Director Chambers exited the meeting at 9:47 p.m.)

ADJOURNMENT

On motion by Sharif, seconded by McCoy, the meeting was adjourned at 9:48 p.m. by the following vote on roll call:

AYES: Directors - Chambers, Sharif, Brown
NOES: Directors - None
ABSENT: Directors - Chambers, Galvan

Secretary of the Successor Agency **Chairperson of the Successor Agency**

February 4, 2020

TO: **CHAIRPERSON AND BOARDMEMBERS**

FROM: **EXECUTIVE DIRECTOR**

SUBJECT: **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND KBK ENTERPRISES LLC TO WORK OUT THE TERMS AND CONDITIONS OF A PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION AND DEVELOPMENT OF CERTAIN AGENCY-OWNED PROPERTY LOCATED AT 501-545 EAST COMPTON BOULEVARD FOR A PROPOSED MIXED-USE DEVELOPMENT**

SUMMARY

Staff respectfully requests the Board to authorize the Executive Director to enter into an Exclusive Negotiation Agreement with KBK Enterprises, LLC to acquire and develop certain Agency-owned parcels located at 501-545 E. Compton Blvd for a proposed mixed-use residential, retail, and commercial development.

BACKGROUND

KBK LLC, a renowned real estate development company in the nation, has submitted a proposal to acquire and develop certain Agency-owned parcels located at 501-545 E. Compton Blvd for a mixed-use residential, retail and commercial development at the subject site.

The developer proposal for the site includes a residential unit mix of 140 units (For Sale or Rental) units along with 4,000-6,000 square feet one story retail outlet. The developer's proposal constitutes the second phase of a two-phased development approach to acquire and develop the currently underutilized Agency-owned parcels located between Willow Avenue and Santa Fe Avenue for housing and retail development.

STATEMENT OF THE ISSSUE

The subject site has experienced prolonged blight and non-conforming uses. The proposed development will potentially contribute in stabilizing the existing housing stock by providing homeownership opportunities for low and moderate-income homebuyers as well as affordable rental units targeted to low- and moderate-income families at or below 80% AMI. The subject area constitute a key component of the City's masterplan for the downtown. Over the past years, the City, has undertaken aggressive efforts to

transform Compton's downtown into a vibrant pedestrian-oriented neighborhood center that provides housing, retail and various public amenities and services to community residents.
By fostering public/private partnership arrangements, the City has successfully lured public/private investments into the community resulting in commercial, retail and residential developments into the downtown area.

Current projects that have been completed during this time period and located within close proximity to the subject project include the Martin Luther King, Jr Transit Center, Burlington Store, Dollarhide Community Center/Parking Structure, a 75-unit senior's facility (Meta Housing) and 124-unit townhome development (Willow Walk development). The area's proximity to rail transit will enable this project to be supported and incentives and creates increased transit usage, and workability along the Compton corridor. The KBK's proposal has the potential to complement the pedestrian oriented objectives outlined in the Compton Downtown Specific Plan.

DEVELOPER PROFILE

KBK Enterprise LLC is headquartered in Columbus Ohio. Keith B. Key, the President and CEO of KBK Enterprises brings a host of banking disciplines and entrepreneurial skills to the operation and financial management of the corporation. The corporation and its subsidiaries represent one of the largest African American mixed income and real estate developers in the nation. To date, the company and its seasoned team of real estate professionals have developed over $1 billion in real estate projects inclusive of residential, commercial and faith-based projects nationally. The collective experience and ability to work with public agencies, private entities is remarkable. KBK has several units in the pipeline with financing sources including tax credits, tax-exempt bonds, state and local government funds, and private grants.

PROJECT ECONOMICS: PRO-FORMA ANALYSIS

KBK Enterprises along with its financial advisor, Bank of America Community Development Corporation, are uniquely qualified to develop the 500 Block of East Compton Boulevard into a premier mixed-use/mixed income community in Compton. Founded in 2004, KBK Enterprises has extensive experience in multifamily housing and commercial properties throughout the nation. The proposed mixed-use development will comprise of 44 studio units, 60 one-bedroom units and 36 two-bedroom units long with 1 story retail outlet at an estimated total construction budget of $39,162,000 (inclusive of acquisition cost). However, given that portion of the project will be targeted for low to moderate income households, cash flow projections from the rents will not support the operating expenses and debt service for a full development. In order to bridge anticipated feasibility gap, the project will secure financing from several sources including traditional debt, Bank of America, and Low Income Housing Tax Credit Equity from the sale of Low-Income Housing Tax Credits (LIHTC) at 4% through Federal the California Tax Credit Allocation at estimated $11,800,000 The project also anticipates securing Project Based Vouchers from the Local Housing Authority and utilization of the

City’s First Time Homebuyer Program to provide down payment assistance or rental assistance to eligible families at or below 80% AMI level.

ECONOMIC BENEFITS

The subject site has been vacant for several years and contains non-conforming land uses. Urban linkages are fundamental to neighborhood revitalization activities in every City. The proposed development has the potential to transform a blighted and underutilized area into a vibrant mixed-use housing and retail development that would further enhance and stimulate the economic resurgence of Compton Downtown through property and sales tax revenues and job creation.

FISCAL IMPACT

There is no impact to the Successor Agency funds with the approval of this resolution.

Upon successful negotiation of a Purchase and Sale Agreement with the developer, the proceeds from the sale of the property will be allocated for a Public Infrastructure projects within the Successor Agency Project Area per the covenants of the Tax Exempt Bond financing.

RECOMMENDATION

Staff recommends that the Board approve the attached resolution authorizing the Executive Director to work out the terns of an Exclusive Negotiation Agreement with KBK LLC to work out the terms and conditions for disposition and development of certain Agency-owned parcel located at 501-545 East Compton Boulevard.

CRAIG J. CORNWELL
EXECUTIVE DIRECTOR

RESOLUTION NO. __________

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND KBK ENTERPRISES LLC TO WORK OUT THE TERMS AND CONDITIONS OF A PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION AND DEVELOPMENT OF CERTAIN AGENCY-OWNED PROPERTY LOCATED AT 501-545 EAST COMPTON BOULEVARD FOR A PROPOSED MIXED-USE DEVELOPMENT

WHEREAS, KBK Enterprises LLC., a recognized leader in the development of high quality mixed-use developments in the nation, The developer proposal for the site includes a residential unit mix of 140 units (For Sale or Rental) units along with 4,000-6,000 square feet one story retail outlet on certain Agency-owned parcels located at 501-545 E. Compton Blvd; and

WHEREAS, over the past several years, the City has transformed the City's downtown into a vibrant, pedestrian-oriented residential and commercial community. These activities has resulted in the development of complementary retail/commercial and housing projects in the downtown area including Martin Luther King, Jr Transit Center, Burlington Store, Dollarhide Community Center/Parking Structure, a 75-unit senior's facility (Meta Housing) and 124-unit townhome development (Willow Walk development); and

WHEREAS, there is a compelling need to expand the City's housing stock to meet the needs of the City's growing population; and

WHEREAS, the City and Successor Agency has determined that the proposed development would bring a needed addition to the City housing inventory; and

WHEREAS, the proposed development will provide affordable rental units and homeownership opportunities to targeted to low- and moderate-income families at affordable rents; and

WHEREAS, in order to bridge anticipated feasibility gap, the project will secure financing from several sources including traditional debt, Bank of America, and Low Income Housing Tax Credit Equity from the sale of Low-Income Housing Tax Credits (LIHTC) at 4% through Federal the California Tax Credit Allocation at estimated $11.800,000. The project also anticipates securing Project Based Vouchers from the Local Housing Authority and utilization of the City's First Time Homebuyer Program to provide down payment assistance or rental assistance to eligible families at or below 80% AMI level; and

WHEREAS, the Successor Agency desires to enter an Exclusive Negotiation Agreement with the KBK LLC for a period of 10 months to work out the terms and conditions of a Purchase and Sale Agreement to consummate the sale and disposition certain properties located at 501-545 East Compton Boulevard; and

WHEREAS, the Los Angeles County 2nd District Oversight Board and the State Department of Finance (DOF) will review this resolution as to form and substance.

NOW, THEREFORE, THE BOARD OF DIRECTORS TO THE SUCCESSOR AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:

<u>Section 1</u>. That the Executive Director, upon the advice and approval of the General Counsel, is hereby authorized to enter into an Exclusive Negotiation Agreement with KBK Enterprises, LLC to acquire and develop certain Agency-owned parcels located at 501-545 E. Compton Blvd for a proposed mixed-use residential, retail, and commercial development.

<u>Section 2.</u> That there is no negative fiscal impact to the Successor Agency Fund with the approval of this resolution.

<u>Section 3</u>. That a certified copy of this resolution shall be filed in the offices of the Executive Director, General Counsel, Agency Controller, Successor Agency, and Agency Secretary.

<u>Section 4</u>. That the Chairperson shall sign and the Secretary shall attest to the adoption of this resolution.

ADOPTED this _____ day of ___________, 2020.

____
**CHAIRPERSON OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

ATTEST:

____
**SECRETARY OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Secretary at the regular meeting thereof held on the _____ day of __________, 2020.

That said resolution was adopted by the following vote, to wit:

AYES: **BOARD MEMBERS-**
NOES: **BOARD MEMBERS-**
ABSENT: **BOARD MEMBERS-**

____
**SECRETARY OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

EXCLUSIVE NEGOTIATING AGREEMENT

This EXCLUSIVE NEGOTIATING AGREEMENT (this "Agreement") is dated as of January ____, 2020 (the "Effective Date"), and is entered into, by and between the **SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a public body (the "SA") and **KEITH B. KEY ENTERPRISES LLC**, an Ohio limited liability company, or its successors and assigns (the "Purchaser") .

R E C I T A L S

A. The SA owns the land in the City of Compton, State of California that is located at 500, 501, 509, 517, 537 and 545 E. Compton Boulevard, Compton and further described in Attachment No. 1 (the "Site").

B. The SA has instructed the SA's staff to proceed with this Agreement between SA and Purchaser to negotiate on an exclusive basis to establish the terms and conditions of a purchase and sale agreement between the SA and the Purchaser ("PSA") that would result in the sale of the Site by the SA to Purchaser and the development by the Purchaser on the Site of a mixed-use project consisting of limited commercial uses and residential units.

NOW, THEREFORE, the parties hereto agree as follows:

1. The term of this Agreement shall commence on the date hereof and shall end on the date that is Ten (10) months thereafter (the "ENA Period"). The Executive Director of SA shall have the authority (in the exercise of his sole discretion) to enter into non-substantial amendments to this Agreement including the extension of the ENA Period, provided they are in writing and signed by both the Executive Director and the Purchaser.

2. Either party may terminate this Agreement if the other party fails to comply with or perform any provisions of this Agreement and fails to cure the default within ten (10) days after written notice from the other party.

3. During the ENA Period, the SA shall not negotiate with any person or entity other than the Purchaser for the sale, lease or development of the Site.

4. The Purchaser shall deliver the materials and information identified on Attachment No. 2 attached hereto to the SA within the times set forth on Attachment No. 2.

5. Throughout the ENA Period, SA staff shall be reasonably available to meet with the Purchaser to discuss the proposed PSA.

6. Excluding reimbursement for SA staff time, Purchaser shall reimburse SA for SA's actual out-of-pocket costs and expenses (including legal fees and costs and consultants' fees and costs) incurred in preparing this Agreement and fulfilling its obligations under this Agreement from the date hereof as described in Attachment No. 3, including, but not limited to: (i) the costs of a title report for the Site; (ii) the cost of an appraisal for the Site; (iii) the cost of negotiating and preparing the PSA and related documents (including attorneys' fees and consultant costs) (the "Reimbursable Costs"), not to exceed Ten Thousand Dollars ($10,000) without the prior written

approval of Purchaser. The SA shall notify Purchaser when such costs and expenses approach Five Thousand Dollars ($5,000.00), and the SA shall discuss in good faith with Purchaser any third party consultants to be selected by the SA (excluding counsel to the City) and Purchaser shall have the right to approve the same. Provided, however, such approval shall not be unreasonably withheld or delayed by Purchaser.

Concurrently with its execution of this Agreement, Purchaser shall deposit with the SA the sum of Five Thousand Dollars ($5,000.00) (the "Deposit"). The Deposit shall be used and applied from time to time by the SA to pay or reimburse itself for the Reimbursable Costs. Purchaser shall replenish the Deposit from time to time within ten (10) days after written request from the Executive Director with a description of the costs and invoices theretofore paid with the Deposit, and a projection of remaining reasonably anticipated Reimbursable Costs.

In the event that this ENA expires without a PSA being approved and executed, then upon written request of Purchaser, the unapplied balance of the Deposit not needed to pay accrued Reimbursable Costs shall be returned to the Purchaser.

The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

7. The SA and Purchaser acknowledge that all applicable requirements of CEQA must be met in order to approve the PSA and that this may require reports or analyses for CEQA purposes (collectively, the "CEQA Docs"). The Purchaser will, at its cost, fully cooperate with the SA as the lead agency for the CEQA Docs. The CEQA Docs shall be prepared for the PSA by SA or its consultants at Purchaser's cost.

8. The Purchaser and the SA understand and agree that neither is under any obligation whatsoever to enter into a PSA. In the event of the expiration or earlier termination of this Agreement, the SA shall be free at the SA's option to negotiate with any persons or entities with respect to the sale, lease and/or development of the Site. In addition, the Purchaser acknowledges and agrees that the SA cannot enter into a binding PSA unless and until the PSA has been approved by the Oversight Board to the SA and, if required, the California Department of Finance.

9. This Agreement may not be assigned by the Purchaser without the prior express written consent of the SA in its sole and absolute discretion.

10. Any notice, request, approval or other communication to be provided by one party to the other shall be in writing and provided by certified mail, a reputable overnight delivery service (such as Federal Express) or by email (as indicated below) and addressed as follows:

If to the SA:	Successor Agency to the Community Redevelopment Agency of the City of Compton 205 South Willowbrook Avenue Compton, California 90220 Attn: Executive Director Email: ________________________
If to the Purchaser:	Keith B. Key Enterprises, LLC 4249 Easton Way, Suite 220 Columbus, OH 43219 Attn: Keith B. Key Email: ______________________________

11. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. There are no other agreements or understandings between the parties with respect to the subject matter hereof or any related subject and no representations by either party to the other have been made as an inducement to enter into this Agreement. All prior negotiations between the parties are superseded by this Agreement.

12. This Agreement may not be altered, amended or modified except by a writing executed by all parties.

13. If any party should bring any legal action or proceeding relating to this agreement or to enforce any provision hereof, or if the parties agree to arbitration or mediation relating to this Agreement, the party in whose favor a judgment or decision is rendered shall be entitled to recover reasonable attorneys' fees and expenses from the other, up to a limit of Ten Thousand Dollars ($10,000). Beyond this limit, each party shall bear its own attorneys' fees and costs incurred in compelling the enforcement of this Agreement. The parties agree that any legal action or proceeding or agreed-upon arbitration or mediation shall be filed in and shall occur in the County of Los Angeles.

14. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California.

15. Time is of the essence of each and every provision hereof.

16. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

Signatures follow on next page

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

PURCHASER:

KEITH B. KEY ENTERPRISES LLC,
an Ohio limited liability company

By: ________________________________
Name: Keith B. Key
Title: President & CEO

SA:

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON,
a public body

By: ________________________________
Name: ________________________________
Title: Executive Director

ATTEST:

____
_________________, Secretary

ATTACHMENT NO. 1

DESCRIPTION OF SITE

(To be provided at later date)

ATTACHMENT NO. 2

MATERIALS TO BE DELIVERED BY PURCHASER

Item	Date Delivered
1. Development budget.	______ days following the Effective Date
2. Sources and uses of funds for the development.	______ days following the Effective Date
3. Development schedule, including key milestones.	______ days following the Effective Date
4. Reserved	______ days following the Effective Date
5. Bi-monthly status report on the project	Commencing 30 days following the Effective Date

ATTACHMENT NO. 3

SA TASKS

1. Provide to Purchaser all written information regarding the Site (including any Phase I and Phase II environmental reports) that is in the possession of the SA (to the extent not previously delivered to Purchaser) to the extent it is both material and not privileged (under the attorney-client or attorney work product privileged).

2. Obtain an appraisal of the Site in order to help determine the purchase price and deliver a copy thereof to the Purchaser.

3. Obtain a title report for the Site and deliver a copy thereof to the Purchaser.

4. Prepare and revise drafts of the PSA to the extent reasonably permitted by the negotiations.

May 24, 2019

Cecil W. Rhambo, Jr.
City Manager
City of Compton
205 S. Willowbrook Ave.
Compton, CA 90220

Dear Mr. Rhambo,

Please accept this correspondence as a request to revise our proposals for the 500 Block of E. Compton Blvd. and 1117 S. Long Beach Blvd.

As you are aware we were awarded these properties in response to our RFP submissions in 2018 to develop mixed income/mixed use facilities at these sites. Upon further review of these two sites, discussions with the City of Compton, and other funding sources we have revised our plans to align with the attached Development Summaries.

The most significant adjustments to these two proposals are the number of units proposed, 140 units and 182 units for 500 E. Compton Blvd. and 1117 S. Long Beach Blvd. respectively. The other adjustment is pertaining to the affordable mix of 60% affordable and 40% market units. After completion of the 500 Block of E. Compton Blvd. we will consider making the 1117 S. Long Beach Blvd. building a senior only facility. Each site will include some commercial space for retail and/or resident use. We are anticipating using tax exempt bonds with 4% LIHTC (Low Income Housing Tax Credits) to finance this development and secure Project Based Vouchers from the housing authority to stabilize rents at these two locations. These adjustments have been made in an effort to secure AHSC funding from the state. AHSC funding will require approximately 140 units per acre with a significant portion of the development dedicated to affordable housing. The 60/40 income mix is also an important requirement of Bank of America CDC's participation in these developments.

These adjustments along with your support for these funding sources will allow us to develop these sites into two incredible looking communities (see attached perspectives). Thank you and the development department for taking time to work with us on these significant projects. It has been great to work with Laurence, Richard and Leslie on these exciting projects. We look forward to your response to our revised proposals. Have a great day!

Sincerely,

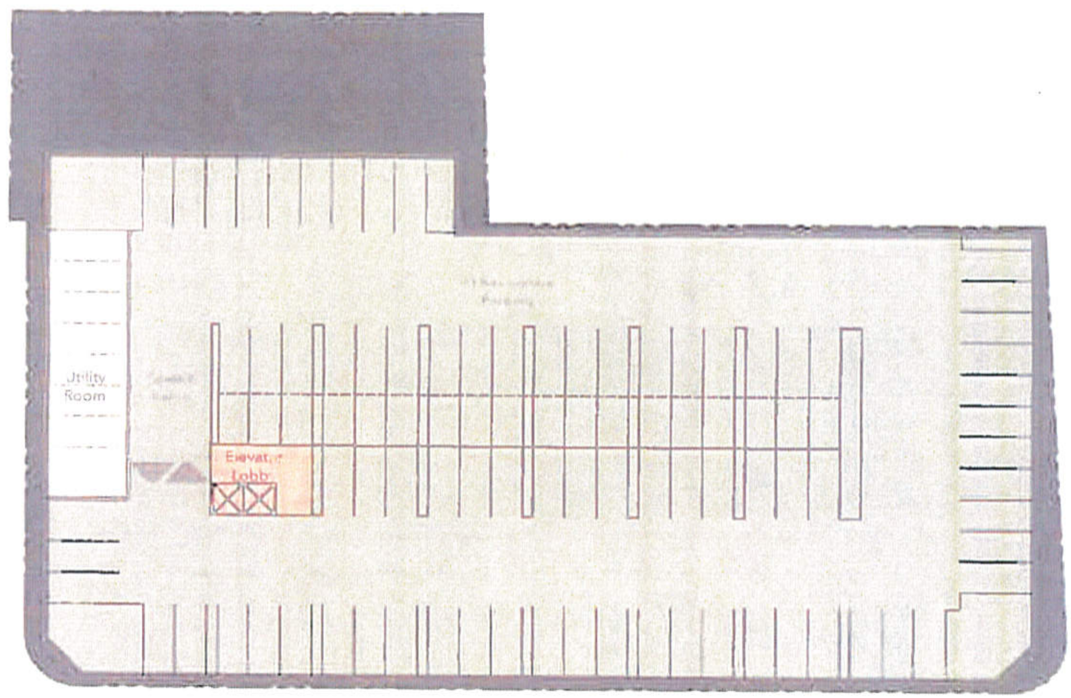
Keith B. Key
President & CEO

KBKE: 500 E Compton Blvd Feasibility Study

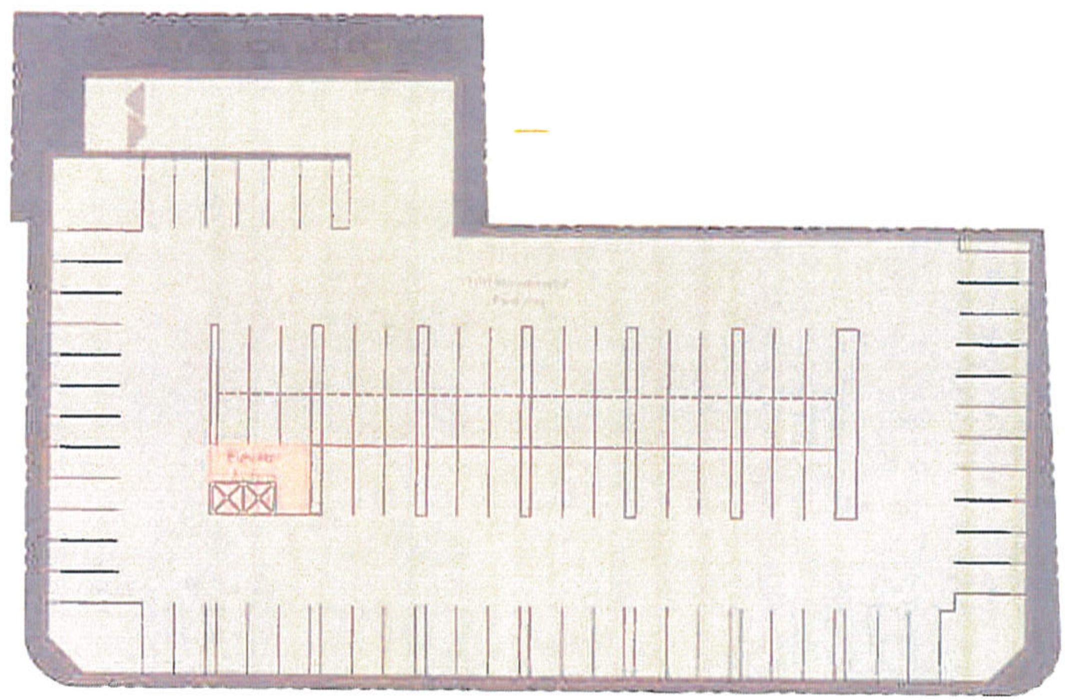
kbk enterprises | 4249 Easton Way Suite 220 Columbus, OH 43219 | 31st May, 2019

GGLO DESIGN

kbk enterprises

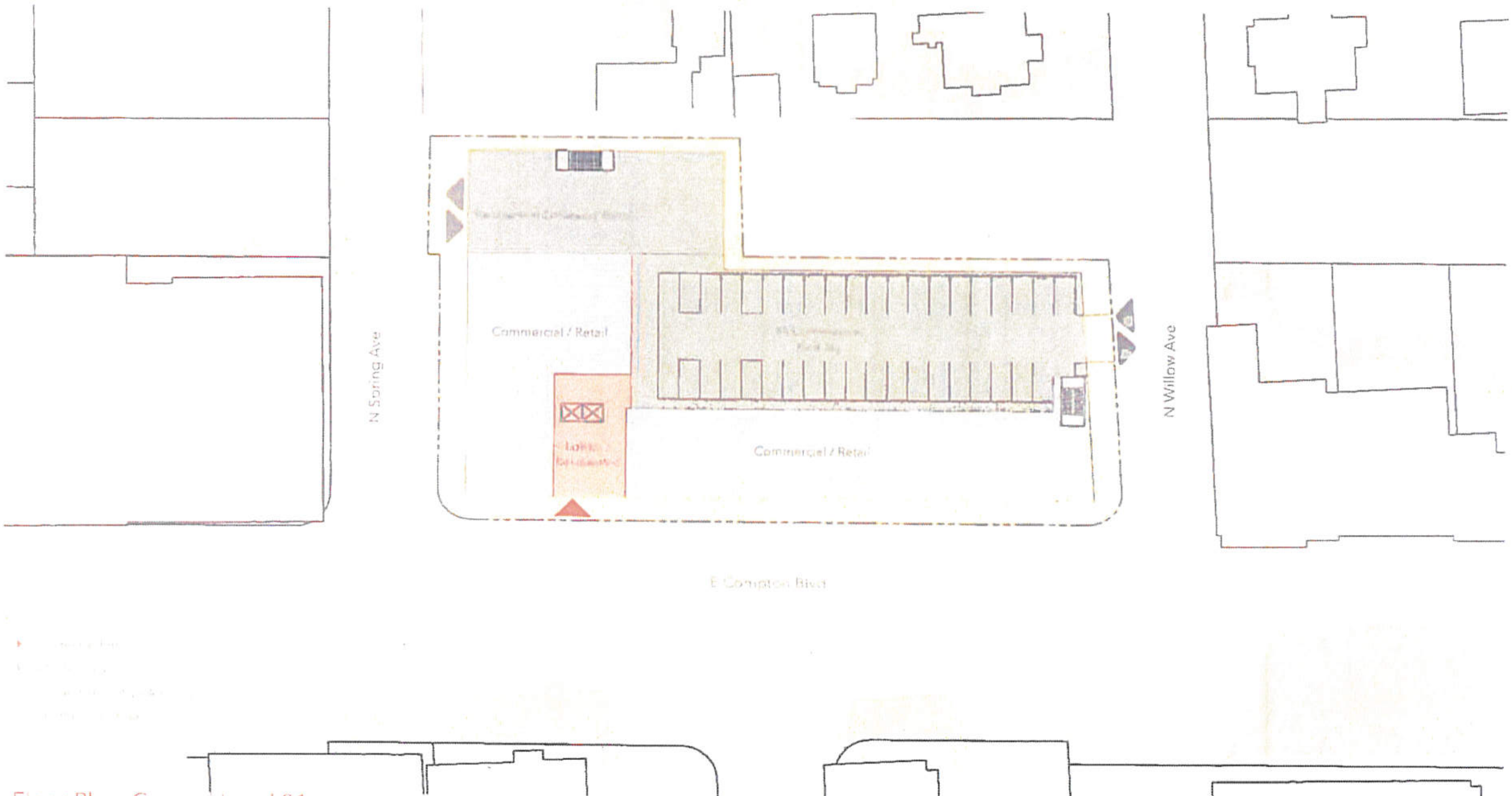


Floor Plan: Garage Level 02



Floor Plan: Garage Level 01

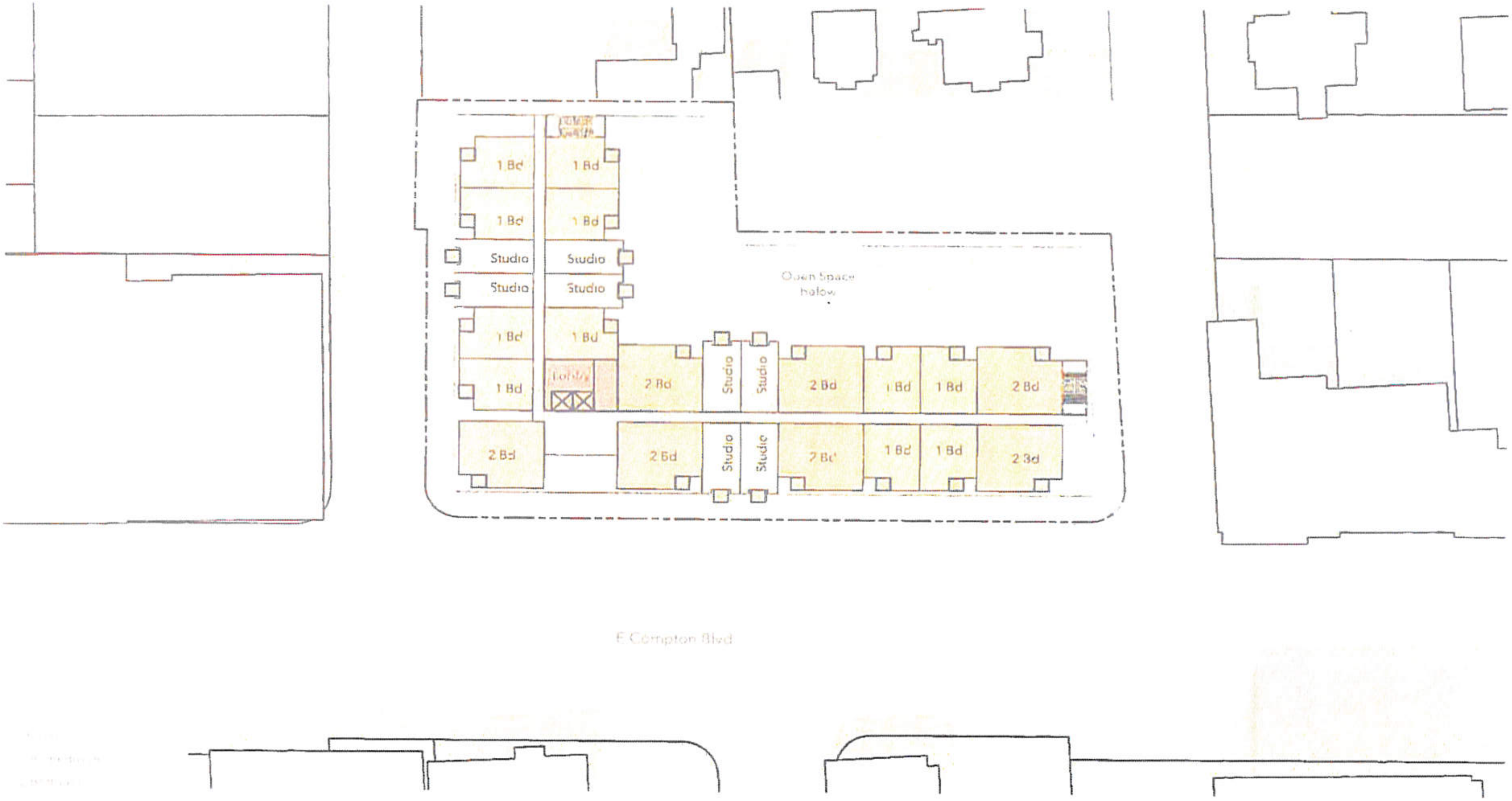
GGLO



Floor Plan: Ground Level 01

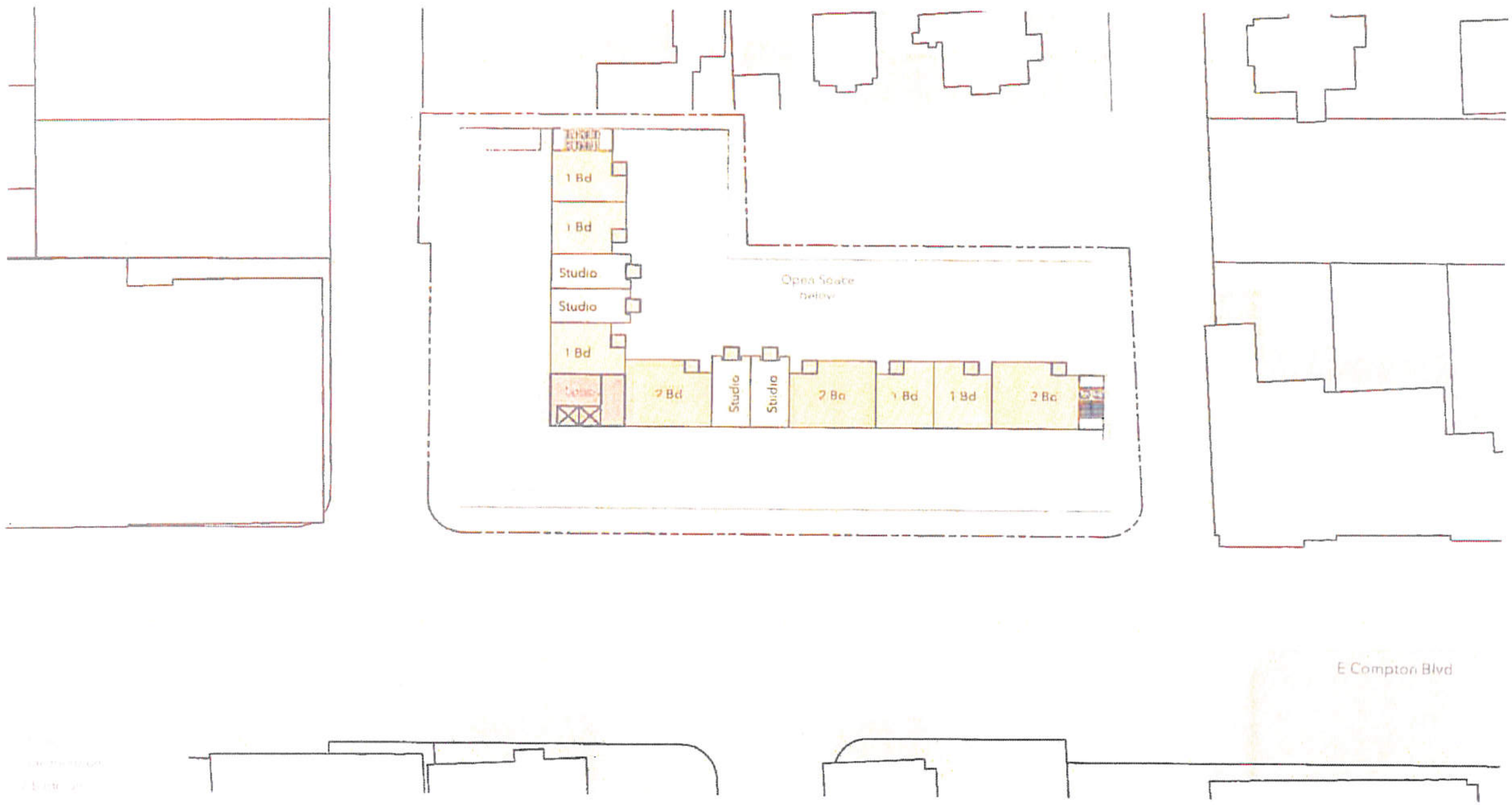
Floor Plan: Level 02

GGLO



Floor Plan: Levels 03 to 06

GGLO



Floor Plan Levels 07

Compton Blvd Elevation

Spring Ave Elevation

GGLO

Perspective View