

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**

**04/28/2020
6:00 PM**

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

1. APRIL 21, 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 SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FRANK HARVEY III 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 217 EAST INDIGO STREET FOR A PROPOSED HOUSING DEVELOPMENT

3. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND OLSON URBAN HOUSING, 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 250 NORTH CENTRAL AVENUE FOR A PROPOSED HOUSING DEVELOPMENT

DIRECTORS COMMENTS

ADJOURNMENT

APRIL 21, 2020

The Governing Body of the Successor Agency meeting was called to order at 8:43 p.m. in the Council Chambers of City Hall by Chairperson Aja Brown.

ROLL CALL

Directors Present: Chambers, McCoy, Sharif, Brown *(Via Zoom teleconference)*

Directors Absent: Galvan

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

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

There were no audience comments.

APPROVAL OF MINUTES

1. FEBRUARY 25, 2020

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 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A RIGHT OF ENTRY PERMIT WITH THE OLSON URBAN HOUSING, LLC (DEVELOPER) FOR THE SUCCESSOR AGENCY OWNED PROPERTY LOCATED AT 250 NORTH CENTRAL AVENUE FOR THE PURPOSES OF PERFORMING CERTAIN INVESTIGATIONS FOR THE PURPOSE OF DILIGENCE WORK RELATED TO A HOUSING DEVELOPMENT

On motion by McCoy, seconded by Sharif, **Resolution Number 104** 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 RIGHT OF ENTRY PERMIT WITH THE OLSON URBAN HOUSING, LLC (DEVELOPER) FOR THE SUCCESSOR AGENCY OWNED PROPERTY LOCATED AT 250 NORTH CENTRAL AVENUE FOR THE PURPOSES OF PERFORMING CERTAIN INVESTIGATIONS FOR THE PURPOSE OF DILIGENCE WORK RELATED TO A HOUSING DEVELOPMENT**’ 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 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A RIGHT OF ENTRY PERMIT WITH KBK ENTERPRISES, LLC (DEVELOPER) FOR THE SUCCESSOR AGENCY OWNED PROPERTIES LOCATED AT 500, 501, 509, 517, 537, 545, 601, 607, AND 625 EAST COMPTON BOULEVARD; 112 NORTH WILLOW AVENUE; AND 107 NORTH SANTA FE AVENUE FOR THE PURPOSES OF PERFORMING CERTAIN INVESTIGATIONS FOR THE PURPOSE OF DILIGENCE WORK RELATED TO A HOUSING DEVELOPMENT

On motion by Chambers, seconded by McCoy, **Resolution Number 105** 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 RIGHT OF ENTRY PERMIT WITH KBK ENTERPRISES, LLC (DEVELOPER) FOR THE SUCCESSOR AGENCY OWNED PROPERTIES LOCATED AT 500, 501, 509, 517, 537, 545, 601, 607, AND 625 EAST COMPTON BOULEVARD; 112 NORTH WILLOW AVENUE; AND 107 NORTH SANTA FE AVENUE FOR THE PURPOSES OF PERFORMING CERTAIN INVESTIGATIONS FOR THE PURPOSE OF DILIGENCE WORK RELATED TO A HOUSING DEVELOPMENT**’ was adopted by the following vote on roll call:

AYES: Directors – Chambers, McCoy, Sharif, Brown

NOES: Directors – None

ABSENT: Directors – Galvan

COMMISSIONER COMMENTS

Commissioner McCoy thanked NBA Superstar DeMar DeRozan for his generous donation of food and supplies in conjunction with Alma's Cookies for the residents of the City of Compton.

ADJOURNMENT

On motion by McCoy, seconded by Chambers, the meeting was adjourned at 8:53 p.m. by the following vote on roll call:

AYES: Directors – Chambers, McCoy, Sharif, Brown

NOES: Directors – None

ABSENT: Directors – Galvan

Secretary of the Successor Agency

Chairperson of the Successor Agency

April 28, 2020

TO: CHAIRPERSON AND DIRECTORS

FROM: EXECUTIVE SECRETARY

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 SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FRANK HARVEY III 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 217 EAST INDIGO STREET FOR A PROPOSED HOUSING DEVELOPMENT

SUMMARY

Staff respectfully requests the Board to authorize the Executive Secretary to enter into an Exclusive Negotiation Agreement with Frank Harvey III ("Developer") to work out the terms and conditions of a Purchase and Sale Agreement for the Disposition and Development of a certain Agency-owned parcel located at 217 E. Indigo Street, Compton, CA for a proposed housing development.

BACKGROUND

The Developer has submitted a proposal to acquire and develop a certain Agency-owned parcel located at 217 E. Indigo Street for a housing development at the subject site.

The developer proposal for the site is for new residential housing that includes four (4) Rental or For-Sale Affordable housing units.

STATEMENT OF THE ISSUE

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 rental or homeownership opportunities to low and moderate-income Compton residents. Staff is proposing a four (4) month negotiation period in this agreement.

DEVELOPER PROFILE

The Developer has long held community ties with the City of Compton which includes living in and attending school in the City, working alongside educators on community projects, developing and selling City properties, and developing and owning a number of properties in the City.

In 2015, the Developer purchased and remodeled an apartment complex on 1317 East Alondra Avenue. Since the Developer has remodeled and owned the complex on 1317 East Alondra Avenue, crime rate and calls to the Sheriff's Department from there have dropped by 50 percent.

In May 2018, the Developer purchased 305-315 S. Long Beach Boulevard from the Successor Agency and built the Compton Car Studio Xpress Wash. Its grand opening was in October 2019. The Developer is the owner/ operator of the car wash which estimated value is at \$2.5 million.

ECONOMIC BENEFITS

The subject site has been vacant for several years. The proposed development will potentially contribute in stabilizing the existing housing stock and transform a blighted and underutilized area into new residential units and provide additional property tax revenue for the City.

FISCAL IMPACT

Upon successful negotiation of a Purchase and Sale Agreement with the developer, the proceeds from the sale of the property will either use the net proceeds to pay enforceable obligations or distribute net proceeds from the sale to the County Auditor Controller for distribution to the taxing entities in proportion to their shares of the base property tax. The City of Compton is an affected taxing entity will receive a prorated portion of the sales proceeds to be determined by the County Auditor Controller.

RECOMMENDATION

Staff respectfully requests the Board to authorize the Executive Secretary to enter into an Exclusive Negotiation Agreement with Frank Harvey III to work out the terms and conditions of a Purchase and Sale Agreement for the Disposition and Development of certain Agency-owned parcels located at 217 E. Indigo Street for a proposed housing development.

CRAIG J. CORNWELL
EXECUTIVE SECRETARY

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 SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FRANK HARVEY III 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 217 EAST INDIGO STREET FOR A PROPOSED HOUSING DEVELOPMENT

WHEREAS, the Developer has submitted a proposal to acquire and develop a certain Agency-owned parcel located at 217 E. Indigo Street for a housing development at the subject site; and

WHEREAS, the developer proposal for the site is for new residential housing that includes four (4) Rental or For-Sale Affordable housing units; and

WHEREAS, 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 rental or homeownership opportunities to low and moderate-income Compton residents; and

WHEREAS, Frank Harvey III, who has long held community ties with the City of Compton, purchased and remodeled an apartment complex on 1317 East Alondra Avenue which resulted in a reduction of calls to the Sheriff's Department by 50 percent and purchased 305-315 S. Long Beach Boulevard from the Successor Agency and built the Compton Car Studio Xpress Wash which has an estimated value of \$ 2.5 million; has submitted a proposal to acquire and develop 4 rental or for sale residential units on a certain Agency owned parcel located at 217 East Indigo Street for a proposed residential 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 Agency has determined that the proposed development would provide a needed addition to stabilize the City's housing inventory; and

WHEREAS, the proposed development will provide rental or homeownership opportunities to citizens of Compton; and

WHEREAS, the Agency desires to enter into an Exclusive Negotiation Agreement with Frank Harvey III for a period of four (4) months to work out the terms and conditions of a Purchase and Sale Agreement to consummate the sale and disposition of the subject site at 217 East Indigo Street for a proposed residential development; and

WHEREAS, the Los Angeles County 2nd District Oversight Board and the DOF will review the subsequent resolution for a Purchase Sale Agreement 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:

Section 1. That the Executive Secretary, upon the advice and approval of General Counsel, is hereby authorized to enter into an Exclusive Negotiation Agreement with Frank Harvey III to work out the terms and conditions of a purchase and sale agreement for disposition and development of a certain Agency-owned parcel located at 217 East Indigo Street for a proposed residential development.

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

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

Section 4. That the Chairperson shall sign and the Clerk 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:

**CLERK 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, Clerk of the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, 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-

**CLERK 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 April 28, 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 **FRANK HARVEY III** (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 217 East Indigo Street Compton, Ca, 90220 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 four (4) 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: Craig J. Cornwell, Executive Director Michael L. Antwine II, Assistant City Manager
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If to the Purchaser:	Frank Harvey III 7886 E. Rosina St. Long Beach, CA 90808
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Attn: Frank Harvey III
Email: harveyfhar@aol.com

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:

Frank Harvey III

By: _____
Name: Frank Harvey III,
Title: Developer

SA:

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

By: _____
Name: Craig J. Cornwell
Title: Executive Director

ATTEST:

Alita Godwin, Secretary

APPROVED AS TO FORM:

By: _____

Damon Brown, General Counsel

ATTACHMENT NO. 1

EXHIBIT "A"

Legal Description of the Land

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THE EASTERLY 25 FEET OF LOT(S) 8 OF TOWN OF COMPTON AND THE WESTERLY 25 FEET OF LOT 9 OF THE TRACT TOWN OF COMPTON OF BLOCK 20, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 68 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN NUMBERS:

6160-025-902

ATTACHMENT NO. 2

MATERIALS TO BE DELIVERED BY PURCHASER

Item	Date Delivered
1. Development budget.	<u>30</u> days following the Effective Date
2. Sources and uses of funds for the development.	<u>60</u> days following the Effective Date
3. Development schedule, including key milestones.	<u>30</u> days following the Effective Date
4. Reserved	<u>60</u> days following the Effective Date
5. Bi-weekly status report on the project	Commencing 14 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.

April 28, 2020

TO: CHAIRPERSON AND BOARDMEMBERS

FROM: EXECUTIVE SECRETARY

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 SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND OLSON URBAN HOUSING, 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 250 NORTH CENTRAL AVENUE FOR A PROPOSED HOUSING DEVELOPMENT

SUMMARY

Staff respectfully requests the Board to authorize the Executive Secretary to enter into an Exclusive Negotiation Agreement with Olson Urban Housing LLC, to work out the terms and conditions of a Purchase and Sale Agreement for the Disposition and Development of certain Agency-owned parcels located at 250 North Central Avenue, Compton, CA for a proposed housing development.

BACKGROUND

Olson Urban Housing LLC, a real estate development company in California, has submitted a proposal to acquire and develop certain Agency-owned parcels located at 250 North Central Avenue for a housing development at the subject site.

The developer proposal for the site is a new residential community that includes up to 57 townhomes on a carefully planned site providing a logical and sensitive transition from the adjacent neighborhood and commercial and industrial uses. The 2.55 acre site presents a unique opportunity to transform this site into a new affordable for-sale townhome community, assisting in the revitalization of the area and walkable to the City's commercial district and open space parks.

STATEMENT OF THE ISSUE

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 at market rate as well as to low and moderate-income homebuyers by setting aside some of the homes for such purpose. Staff is recommending a six (6) month or One-Hundred and Eighty (180) days agreement period.

DEVELOPER PROFILE

Olson Urban Housing, LLC has completed more residential urban revitalization projects than any other privately-held homebuilder in California, totaling over 8,000 homes in more than 200 developments, across more than 80 California cities.

Olson also focuses exclusively on the redevelopment of mixed-use and residential communities in built out cities, making it a specialist in community outreach, environmental remediation and other challenges that are commonplace in infill development. Currently, Olson is the third largest builder in Los Angeles County, with in-depth understanding of homebuyer demand and preferences in this region.

ECONOMIC BENEFITS

The subject site has been vacant for several years. The proposed development will potentially contribute in stabilizing the existing housing stock and transform a blighted and underutilized area into a new residential community and additional property tax revenue.

FISCAL IMPACT

Upon successful negotiation of a Purchase and Sale Agreement with the developer, the proceeds from the sale of the property will either use the net proceeds to pay enforceable obligations or distribute net proceeds from the sale to the County Auditor Controller for distribution to the taxing entities in proportion to their shares of the base property tax.

RECOMMENDATION

Staff respectfully requests the Board to authorize the Executive Secretary to enter into an Exclusive Negotiation Agreement with Olson Urban Housing, LLC to work out the terms and conditions of a Purchase and Sale Agreement for the Disposition and Development of certain Agency-owned parcels located at 250 North Central Avenue for a proposed housing development.

CRAIG J. CORNWELL
EXECUTIVE SECRETARY

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 SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND OLSON URBAN HOUSING, 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 250 NORTH CENTRAL AVENUE FOR A PROPOSED HOUSING DEVELOPMENT

WHEREAS, Olson Urban Housing LLC, a real estate development company in California, has submitted a proposal to acquire and develop certain Agency-owned parcels located at 250 North Central Avenue for a housing development at the subject site; and

WHEREAS, the developer proposal for the site is a new residential community that includes up to 57 townhomes on a carefully planned site providing a logical and sensitive transition from the adjacent neighborhood and commercial and industrial uses. The 2.55 acre site presents a unique opportunity to transform this site into a new affordable for-sale townhome community, assisting in the revitalization of the area and walkable to the City's commercial district and open space parks; and

WHEREAS, 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 at market rate as well as to low and moderate-income homebuyers by setting aside some of the homes for such purpose. Staff is recommending a six (6) month negotiation period for this agreement; and

WHEREAS, Olson Urban Housing LLC., has completed more residential urban revitalization projects than any other privately-held homebuilder in California, totaling over 8,000 homes in more than 200 developments, across more than 80 California cities, has submitted a proposal to acquire and develop up to fifty seven (57) townhomes on a carefully planned site providing a logical and sensitive transition from the adjacent neighborhood and commercial and industrial uses on certain Agency-owned parcels located at 250 North Central Avenue for a proposed residential 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 Agency has determined that the proposed development would provide a needed addition to stabilize the City's housing inventory; and

WHEREAS, the proposed development will provide homeownership opportunities to citizens of Compton; and

WHEREAS, the Agency desires to enter into an Exclusive Negotiation Agreement with the Olson Urban Housing LLC for a period not to exceed six (6) months or 180 days to work out the terms and conditions of a Purchase and Sale Agreement to consummate the sale and disposition of the subject site at 250 North Central Avenue for a proposed residential development; and

WHEREAS, the Los Angeles County 2nd District Oversight Board and the DOF will review the resolution for a Purchase Sale Agreement 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:

Section 1. That the Executive Secretary, upon the advice and approval of General Counsel, is hereby authorized to enter into an Exclusive Negotiation Agreement with Olson Urban Housing, LLC to work out the terms and conditions of a purchase and sale agreement for disposition and development of certain Agency-owned parcel located at 250 North Central Avenue for a proposed residential development.

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

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

Section 4. That the Chairperson shall sign and the Clerk 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:

**CLERK 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, Clerk of the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, 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-

**CLERK 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 April 28, 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 **OLSON URBAN HOUSING, LLC** a Delaware 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 250 N. Central Avenue (also referred to as 14904 Central Avenue) Compton, CA 90220 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 One Hundred and Eighty (180) days 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: Craig J. Cornwell, Executive Director
Michael L. Antwine II, Assistant City Manager

**If to the
Purchaser:** Olson Urban Housing, LLC
3010 Old Ranch Parkway, Suite 100
Seal Beach, California 90740-2751
Attn: Todd J. Olson, President

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:

OLSON URBAN HOUSING, LLC

a Delaware limited liability company

By: _____
Name: Todd Olson,
Title: President of Community Development

SA:

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

By: _____
Name: Craig J. Cornwell
Title: Executive Director

ATTEST:

Alita Godwin, Secretary

APPROVED AS TO FORM:

By: _____

Damon Brown, General Counsel

ATTACHMENT NO. 1

EXHIBIT "A"

Legal Description of the Land

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

TEMPLE AND GIBSONS TR POR OF LOT 1 AND M R =32-45-46 UND 5/6 INT POR OF LOT

APN NUMBERS:

6143-011-018 and 6143-011-902

ATTACHMENT NO. 2

MATERIALS TO BE DELIVERED BY PURCHASER

Item	Date Delivered
1. Development budget.	<u>30</u> days following the Effective Date
2. Sources and uses of funds for the development.	<u>30</u> days following the Effective Date
3. Development schedule, including key milestones.	<u>30</u> days following the Effective Date
4. Reserved	<u>60</u> days following the Effective Date
5. Bi-weekly status report on the project	Commencing 7 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.