

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 10, 2019

CAO File No. 0220-00540-1384

Council File No. 09-0420-S1

Council District: 5

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: Housing and Community Investment Department Transmittal dated August 20, 2019; Received August 23, 2019; Additional Information Received through September 9, 2019

Subject: **REQUEST FOR AUTHORITY TO SELECT DEVELOPER FOR AFFORDABLE HOUSING PROJECT AT 11010 SANTA MONICA BOULEVARD AND AUTHORITY FOR VARIOUS ACTIONS RELATED TO THE DISPOSITION OF THE CITY-OWNED PROPERTY**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to:
 - A. Select the development team consisting of Weingart Center Association and Valued Housing to develop affordable housing, which will include supportive housing, at the City-owned property located at 11010 Santa Monica Boulevard;
 - B. Prepare Controller instructions for any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer;
2. Authorize the General Manager of HCID, or designee, and the Department of Transportation (DOT) to:
 - A. Negotiate and execute an Exclusive Negotiation Agreement (ENA) with Weingart Center Association and Valued Housing, or their to-be-formed Limited Partnership, for the City-owned property located at 11010 Santa Monica Boulevard, for a term of one-year from the execution date, in substantial conformance to the sample ENA attached to this report, subject to the approval of the City Attorney as to form, and compliance with all City contracting requirements;

- B. Negotiate a Joint Development Agreement (JDA) with Weingart Center Association and Valued Housing, or their to-be-formed Limited Partnership, for the City-owned property located at 11010 Santa Monica Boulevard, subject to the approval of the City Attorney as to form, and compliance with all City contracting requirements; and,
3. Instruct the HCID and DOT to report back to Council and request authority to execute the JDA.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to do the following actions related to the disposition and development of the City-owned property currently managed by the Department of Transportation (DOT) located at 11010 Santa Monica Boulevard (Property) in Council District Five: 1) select Weingart Center Association and Valued Housing as the developers of an affordable housing development, which will include supportive housing, at the Property; 2) negotiate and execute an Exclusive Negotiation Agreement (ENA) with the selected Developer and DOT, for a term of one-year from the execution date; and, 3) negotiate a Joint Development Agreement (JDA) with the selected Developer and DOT. This Office concurs with the recommendations of the Department, with the addition of instructing the HCID and DOT to report back to Council and request authority to execute the JDA.

On February 19, 2019, the HCID released a Request for Proposals (RFP) for the development of affordable housing, including supportive housing, on the subject Property. The subject Property is an Affordable Housing Opportunity Site (AHOS) consisting of a 24-parking space lot operated by the DOT. The HCID indicates that the intent of the RFP was to solicit proposals for affordable housing with a high-quality design, completed on a faster timeline, and at a lower cost than standard affordable housing projects. The HCID received four proposals and is recommending the Developer with the highest-scoring proposal. The selected Developer's proposal may potentially result in new supportive units within one year of construction, which is half the length of time required for a traditional housing development, and a \$391,039 cost per unit for the project, which is \$138,961 less than the average cost per unit of new construction in the previous round of Proposition HHH Supportive Housing Loan funding commitments (\$530,000). Additional information regarding the RFP process can be found in the HCID transmittal dated August 20, 2019. The selected Developer's project design includes 50 supportive housing units, one manager's unit, and replacement parking spaces required by the DOT. The HCID anticipates returning to the Mayor and Council by September of 2020 to present a Term Sheet and request authority to execute the JDA.

Proposition HHH Supportive Housing Loan

The HCID reports that the RFP was structured so that the selected developer will be recommended for a Proposition HHH Supportive Housing Loan (Prop HHH) funding commitment. The Developer requested \$7 million of Prop HHH funding through their RFP submission. It should be noted that Council and Mayor approval of HCID's request to approve the selected Developer and authority to perform actions related to the disposition and development of the subject Property does not

constitute a Prop HHH funding commitment. The HCID confirmed that a report regarding decisions and approval of funding commitments was submitted for Mayor and Council approval under a separate cover (C.F. 17-0090-S8).

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report are in compliance with the City's Financial Policies in that there is no additional cost to the City, and no funding commitments are being made at this time. Potential project funding sources include State tax-exempt bonds, State tax credits, private financing, and a Proposition HHH Supportive Housing Loan, among others.

RHL:MOF:02200029C

Attachment

Exclusive Negotiation Agreement
[Property Address]

Exclusive Negotiation Agreement

This AGREEMENT is made as of the Effective Date (defined in Section 14 below) by and between _____, (DEVELOPER) and the Los Angeles Housing and Community Investment Department (HCIDLA).

RECITALS

- A. The City of Los Angeles currently owns the property consisting of _____ (____) parcels located near the intersection of _____ and _____ in the City of Los Angeles, as more particularly described on the legal description attached hereto as Exhibit "A" ("Site") consisting of parcels at: 1) _____, Assessor Parcel Number: _____, containing approximately _____ square feet and 2) _____, Assessor Parcel Number _____, containing approximately _____ square feet.
- B. The qualifications submitted by DEVELOPER best support the type of affordable housing development conceptually envisioned by the City of Los Angeles.
- C. On _____ the Los Angeles City Council approved (Council File: _____) the selection of the DEVELOPER for the purpose of creating a full development plan for the project leading to negotiating the terms of a Development and Disposition Agreement ("DDA")
- D. Together, HCIDLA and the DEVELOPER (collectively referred to as "Parties", or if referred to in the singular form "Party") desire to negotiate exclusively for the development of the Project at the Site.

The Parties agree to negotiate exclusively and in good faith to enter into a DDA and/or a Ground Lease upon the following terms and conditions.

1. Agreement to Negotiate Exclusively: Good Faith Negotiations

HCIDLA agrees that, after competitive bidding and selection process outlined above, during the Negotiation Period (as defined in Section 2 below) and provided that DEVELOPER is not in default of its obligations under this Agreement (subject to reasonable notice and opportunity to cure such default), HCIDLA shall negotiate exclusively and in good faith with DEVELOPER, with respect to a DDA, property disposition such as a sale or Ground Lease to be entered into between HCIDLA and DEVELOPER concerning the rights and obligations of each respective Party concerning the development of the Site. During the negotiation period, HCIDLA shall not solicit or entertain offers or proposals from other third parties concerning the Site. DEVELOPER acknowledges, however, that HCIDLA may, from time to time, be contacted by other developers respecting the Site and that such contact is expressly permitted so long as HCIDLA does not initiate or further the contact and HCIDLA indicates to such other developers that HCIDLA has executed this Agreement with DEVELOPER and that HCIDLA is unable to: (1) discuss anything concerning the Project; (2) discuss anything concerning these negotiations; (3) entertain any other offer or proposals; or (4)

negotiate with any other developer until this Agreement expires or is terminated, as provided in Section 2 below.

The Parties agree, in consideration of this Agreement, to negotiate in good faith with each other with respect to the terms and conditions as set forth in the RFP and the proposed project to be included in the DDA, property disposition such as a sale or Ground Lease and to cooperate in the preparation thereof. The Parties shall provide each other with any information regarding the Site or Project that may be reasonably requested by any other Party.

2. Period of Negotiation

The Parties agree to negotiate in good faith for a period of ____ [360 or 720] days from the Effective Date, as defined in Section 14 hereof (the "Negotiation Period"). If the Parties have not agreed upon the form of a draft DDA property disposition such as a sale or the Ground Lease to be delivered to The City Council and Mayor by such date, then this Agreement shall automatically terminate provided, however, that if prior to the expiration of the Negotiation Period, the Parties have not agreed upon the form of a draft DDA property disposition such as a sale or Ground Lease satisfactory to the Parties to be delivered to The City Council and Mayor, then the Parties may mutually agree to extend the term of this Agreement for an additional period of up to 90 days. If the Parties cannot agree upon such an extension, this Agreement shall automatically terminate.

The Negotiation Period may be extended only by written agreement between the Parties and HCIDLA shall have the right to thereafter develop or dispose of the Site as it shall determine appropriate in its sole and absolute discretion.

This Agreement may also be terminated if the Parties agree in writing that a successful consummation of the negotiations is impossible.

3. Test and Surveys

During the Negotiation Period, DEVELOPER shall conduct such tests, surveys, and other analyses as the DEVELOPER deems necessary to determine the feasibility of designing, constructing, leasing and financing the Project and shall complete such tests, surveys, and other analyses promptly within the Negotiation Period. For these purposes, HCIDLA shall provide to DEVELOPER, its agents and/or representatives, the right to enter onto the Site and to conduct such tests, surveys, and other procedures ("Tests"). DEVELOPER shall take all necessary effort to ensure that such Tests shall not unreasonably alter the condition of the Site, or other HCIDLA activities on the Site. DEVELOPER shall indemnify and hold harmless the City and its departments (HCIDLA), its Boards, Officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to, reasonable attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any

nature whatsoever, for death or injury to any person, including DEVELOPER's and any contractor's and subcontractor's employees and agents, or damage or destruction of any property of any property of the Parties hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to any such entry on the Site by DEVELOPER, its agents or representatives, provided that such indemnity shall not relate to existing Site conditions that differ substantially from existing plans and drawings, and could not have been discovered by reasonable visual inspection or reasonable and typical non-intrusive tests prior to any intrusive testing. DEVELOPER shall present HCIDLA with evidence of a general liability insurance policy in an amount of at least \$1 million, naming the City of Los Angeles as an additional insured. The insurance policy shall cover all liability and property damage arising from DEVELOPER's employees' presence on the Site during Tests. Any destruction or alteration of site features or surfaces resulting from the tests shall be fully replaced at the full expense of the Developer within ten (10) business days.

4. Essential Terms

A. **DDA.** DEVELOPER's rights and obligations shall be specifically set-forth in the DDA and shall include without limitation all of the following:

- 1) Project Description;
- 2) Scope of Development;
- 3) DEVELOPER Site Inspection rights;
- 4) The financial relationships between the parties
- 5) Method of land transfer and ownership rights over specific improvements that could include property disposition for sale or Ground Lease;
- 6) Scope and method of disposition for a sale or Ground Lease of property, depending on HCIDLA's preferred method of disposition;
- 7) Design and construction of the Project, including HCIDLA review, approval, and inspection rights, and DEVELOPER assurances;
- 8) Deposits and Costs Reimbursements;
- 9) Schedules of Performance, including effect of change;
- 10) Restrictions on Transfers;
- 11) Covenants to enter into property disposition such as sale or Ground Lease and other required agreements;
- 12) Escrow provisions, including title, deliveries to escrow, conditions to close of escrow and delivery of Site, parts thereof;
- 13) Insurance and Indemnity;
- 14) Defaults, remedies and termination;
- 15) Encumbrances and rights of lenders;
- 16) Agreement on all other matters necessary to reach a full comprehensive agreement; and
- 17) Restrictions on use of Site.

B. **Ground Lease.** The Ground Lease shall include, without limitation, provisions relating to all of the following:

- 1) Demise of the premises, including conditions, exceptions, representations and warranties;
- 2) Term, including options and extensions, if any;
- 3) Payment for Ground Lease based generally on the structure proposed in the original RFP response, taxes and other charges (including appropriate security and bonds);
- 4) Restrictions on Transfers;
- 5) Encumbrances and rights of lenders;
- 6) Possessions, use, subleasing, operations, maintenance and compliance with laws;
- 7) Construction of improvements and operations, including HCIDLA inspection and approval rights, and environmental matters;
- 8) Insurance, indemnity, damage, destruction and eminent domain;
- 9) Default, cure, dispute, remedies;
- 10) Termination and surrender of Site; and
- 11) Administrative provisions.

5. Development Goals for Site

- a) Coordinate with HCIDLA on the development and property disposition such as a sale or Ground Leasing of the Site.
- b) Provide for rental housing opportunities to low income individuals, families and/or homeless.
- c) Ensure that all uses on the Site are consistent with the local jurisdiction's adopted land use plans.
- d) Create a development which increases mobility, economic development (including job creation), and meets other community needs.
- e) Design of a development that meets community needs and standards.

6. Topics for Negotiation

In addition, or as supplement to the Essential Terms, as described in Section 4, the topics for negotiation (to the extent of, and as limited by the terms of the Proposal) shall include, among other things:

- a) Project assembly [e.g. re-subdivision of Site, maintaining current subdivision of Site, etc.];
- b) Structure of the transaction [include, e.g. structure of property disposition such as a sale, Ground Lease (or leases), exchanges, easements, as applicable];
- c) Method of calculating value and paying for property disposition such as a sale or Ground Lease based generally on the structure proposed in the original RFP response;
- d) The terms of the proposed DDA, property disposition such as a sale or Ground Lease and other agreements as described in Section 4 above;
- e) Availability of the Site to the DEVELOPER;
- f) Proposed land uses and appropriate assurances regarding the continued use of the Project improvements for their original intent;

- g) Site layout and conceptual architectural and urban design plans;
- h) HCIDLA's requirements upon DEVELOPER to ensure long-term affordability of rental units;
- i) Permanent financing plan, including strategy as it relates to HCIDLA's Managed Pipeline;
- j) Aesthetic considerations;
- k) Quality and type of construction;
- l) DEVELOPER's responsibility to obtain environmental clearances, entitlements, and project financing;
- m) Terms of DEVELOPER's construction financing and HCIDLA's right to approve same; and
- n) Project schedule and any other considerations necessary to fully implement the proposed Project in a timely fashion.

7. Deposit

Prior to and as a condition precedent to the execution of this Agreement by HCIDLA DEVELOPER shall submit to HCIDLA a good faith non-refundable project commitment fee ("PROJECT COMMITMENT FEE") in the amount of _____ in the form of cash or certified check to subsidize holding costs.

8. Broker's Fees

The Parties represent and warrant to each other that no broker or finder has been engaged, or is in any way connected with the transactions contemplated by this Agreement. In the event any claim for brokers' or finders' fees is made in connection with the transaction contemplated by this Agreement, the Party upon whose statement, representation or agreement the claim is made shall indemnify, hold harmless and defend the other Parties from and against such claims.

9. Assignment

As a condition to any proposed assignment of this Agreement, DEVELOPER shall be required to make full disclosure to HCIDLA of the principals, officers, stockholders, partners, etc., and all other reasonable pertinent information concerning the assignee of DEVELOPER and its associates.

Except as to an assignment to an entity wholly controlled or wholly owned by DEVELOPER or a limited partnership in which DEVELOPER or an affiliate is a general partner, for which HCIDLA's consent is not required, no assignment by DEVELOPER of its rights and obligations hereunder shall be made without the express written consent of HCIDLA, which consent shall be given or withheld at the sole discretion of HCIDLA. For purposes of this Agreement, an Affiliate of the Limited Partner means any investor or investment fund in which the general partner or managing member of the investor or investment fund, directly or indirectly controls, is controlled by or is under common control with the Limited Partner. Upon any permitted assignment by Developer of its rights and obligations hereunder, DEVELOPER and the permitted assignee shall

execute a written assignment agreement and the succeeding entity shall be deemed DEVELOPER for all purposes under this Agreement. Notwithstanding anything which may be or appear to be herein to the contrary, no assignment hereof by DEVELOPER shall relieve DEVELOPER of its obligations under this Agreement unless specifically agreed to in writing by HCIDLA.

DEVELOPER shall along with any request for approval of any assignments hereof, deliver to HCIDLA the most recent financial statement and/or the financial statements of the assignee. HCIDLA understands and acknowledges the proprietary nature of said information and, to the extent permitted by law, agree not to disclose said information to any person or entity other than representatives of HCIDLA or their consultants, having a need to know.

HCIDLA shall not assess a fee for its approval or any assignment, except to the extent that it incurs direct third party expenses, consultant or legal fees related to approval of the assignment in which event the fee shall not exceed the total of the direct costs incurred by HCIDLA related to approval of the assignment.

10. HCIDLA Obligations

During the Term of this Agreement, HCIDLA shall deliver, within 15 days of receipt of written request thereof, any existing HCIDLA information, studies, reports, site and construction plans or other documents which DEVELOPER may reasonably request to facilitate the Project design without cost or expense to DEVELOPER. The Parties shall cooperate to ensure timely review and revision of any DEVELOPER documents or plans.

This Agreement is an agreement to enter into a period of exclusive negotiations according to the terms hereof. HCIDLA expressly reserves the right to decline to enter into a DDA property disposition such as a sale or a Ground Lease in the event the Parties fail to negotiate either agreement to the satisfaction of HCIDLA. Except as expressly provided in this Agreement, HCIDLA shall have no obligations or duties hereunder and no liability whatsoever in the event the Parties fail to timely execute a DDA as long as they negotiate exclusively in good faith and cooperate in the preparation of the DDA property disposition such as a sale or Ground Lease in accordance with Section 1 above.

Developer acknowledges and agrees that HCIDLA has not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the Project other than those representations contained in the HCIDLA RFP.

By its execution of this Agreement, HCIDLA is not committing to or agreeing to undertake: (i) disposition of land to DEVELOPER; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by HCIDLA, other than their good faith obligation to negotiate exclusively with DEVELOPER as provided herein.

The Parties recognize that one or more of the conditions to DEVELOPER's proposal set forth herein may fail to be met as a result of subsequent studies, reviews and proceedings invoking the exercise of discretion by HCIDLA or any public agency having regulatory jurisdiction.

DEVELOPER shall bear all costs incurred as a result of compliance with the California Environmental Quality Act and the National Environmental Policy Act relating to Developer's joint development of the Project; including, but not limited to, preparation of an environmental report or any other required studies or documents.

11. Non-Liability of HCIDLA, Officials and Employees

Without limiting the provisions set forth herein, no member, official, representative, director, attorney, or employee of HCIDLA shall be personally liable to DEVELOPER or any successor in interest, in the event of any default or breach by HCIDLA or any obligations under the terms of this Agreement, or of any amount which may become due to DEVELOPER or to its successor under the terms of this Agreement.

12. Plans, Reports, Studies and Investigation

Upon written request by HCIDLA, DEVELOPER shall provide the requesting agency, without cost or expense to that agency and without representation or warranty, copies of all plans, reports, studies, or investigations (collectively, "Plan") prepared by or on behalf of DEVELOPER which the DEVELOPER owns or has the copyrights to with respect to the Site and the Project. All Plans shall be prepared at DEVELOPER's sole cost and expense, and DEVELOPER agrees to indemnify, defend and hold harmless the City of Los Angeles, its departments (HCIDLA), and its members, representatives, employees, officials, directors, attorneys, successors and assigns (collectively, "Representatives") from losses, liability, claims, causes of action, injury or expense, including without limitation, reasonable attorneys' fees and costs (collectively, "Loss and Liabilities") arising from or in any way related to the cost of preparation of such Plans. Unless the Parties execute a DDA, property disposition such as a sale, or a Ground Lease before the termination of the Agreement, the Parties agree that Plans provided to HCIDLA that have been prepared during the Term of the Agreement by or on behalf of DEVELOPER which the DEVELOPER owns or has the copyrights to with respect to the Site and the Project will be returned to Developer upon the termination of the Agreement.

13. Developer's Responsibilities

Without limiting any other provision of this Agreement, during the period of negotiations hereunder, DEVELOPER, at its sole cost and expense, shall prepare and submit the following documents and perform the following acts all in furtherance of the negotiation process:

A. Submittals. HCIDLA and all agencies having regulatory jurisdiction will require

planning and design approval for the Project. DEVELOPER shall meet with representatives of HCIDLA to review and come to a clear understanding of the planning and design criteria required by these agencies.

DEVELOPER, within ____ [180 or 360] days after execution of this Agreement (subject to receipt of all plans and studies requested by DEVELOPER of HCIDLA pursuant to Section 10), shall submit to HCIDLA the following:

- a) Evidence of control or acquisition plan of any properties not owned by HCIDLA but considered essential to the Project (if applicable). Evidence shall be in the form of letters of intent from each of the owners stating commitment of land, economic terms and cost basis as well as a detailed action plan and schedule relating to the acquisition of the properties.
- b) Revised or updated Project design concept plan, including a site plan and sections as necessary to describe the proposed scope and schedule.
- c) Project development schedule including milestones for site control, financing commitments, design, environmental/entitlement, construction and completion.
- d) Financing plan/economic projection for the Project. The financing plan shall include a detailed statement of the overall estimated costs of construction and, to the extent it is then available: a) the source and availability of equity capital; and b) construction and long-term development financing. The economic projection shall estimate income to be derived from the Project, and operating costs and debt service shall include a pro forma statement of Project return adequate to enable HCIDLA to evaluate the economic feasibility of the proposed development of the Project. Prior to expiration of the Negotiation Period, DEVELOPER shall update the financing plan to include the source and availability of equity capital, construction and long-term financing if not previously included in the plan.
- e) Proposed term sheet for the property disposition such as a sale or Ground Lease. The proposal shall include without limitations
 1. Term, including any options,
 2. Rent amount based upon no less than fair-market value (base rent) additional rent based upon project performance and method of base rent adjustments (e.g. CPA adjustment periodic reappraisals, etc.);
 3. Recognition that HCIDLA will not subordinate its right to the base rent for the Site, but may subordinate the right to the additional Rent if required to do so;
 4. Recognition of costs, if any, incurred by or for the benefit of any party to achieve design objectives or construction interfaces;
 5. Description of any reciprocal access rights related to the common use areas; and
 6. The general terms upon which DEVELOPER may enter into subleases.

DEVELOPER shall submit to HCIDLA, within ____ [180 or 360] days after execution of this Agreement as indicated above, the following documents utilizing the software application provided by HCIDLA:

- a) Project description including: (1) Site size; (2) Unit mix and unit sizes; (3) Gross building area; (4) Construction type; (5) Parking type and (6) Amenities;
- b) Site plan including: (1) Unusual site conditions; (2) Current entitlements and (3) requested entitlements;
- c) Development Team roles including: (1) Service provider and what services will be provided; (2) General contractor and (3) Property manager;
- d) Pro-forma including: (1) Breakout of development costs; (2) Tax Credit calculations including self-scoring and equity calculations; (3) Construction and permanent sources and uses; (4) Residential and commercial rents; (5) Breakout of operating expenses; (6) Underwriting assumptions for tax-exempt bonds; (7) Financing assumptions for funding sources and whether the sources are secured and (8) Cash flow analysis;
- e) Project development schedule including: (1) Milestones for site control; (2) Financing commitments, (3) Design; (4) Environmental/Entitlements; (5) Construction and (6) Completion; and
- f) Other documents as required by HCIDLA.

B. Design Review: HCIDLA and all agencies having regulatory jurisdiction will require planning and design approval for the Project. DEVELOPER shall meet with representatives of HCIDLA and City to review and come to clear understanding of the planning and design Criteria required by HCIDLA.

C. Cost Disclosure: To support negotiation of property disposition such as a sale or the Ground Lease, the DEVELOPER agrees to disclose to HCIDLA all costs and revenue projections for the proposed Project, including the terms under which the DEVELOPER has been able to obtain control of any other adjacent properties to be included in the Project.

D. Further Information: HCIDLA reserve the right at any time to request from DEVELOPER additional or updated information including data, and commitments to ascertain the depth of the DEVELOPER's capacity and desire to lease and develop the Site expeditiously. HCIDLA will provide a reasonable time for DEVELOPER to submit to the respective agency such additional information.

14. Effective Date

The Agreement shall be deemed effective upon the date on which this Agreement is executed by all Parties, as evidenced by the date of the last signature on the signature pages hereto (the "Effective Date").

15. Entire Agreement

This Agreement represents the entire agreement of the Parties with respect to the matters set forth herein. This Agreement may not be amended except in writing signed by all the Parties hereunder.

16. Covenant Against Discrimination

DEVELOPER shall not discriminate against nor segregate any person, or group of persons on account of sex, race, color, age marital status, religion, handicaps, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site, nor shall the DEVELOPER establish or permit any such practice or practices of discrimination or segregation in the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the Site.

17. Notices

All notices required or permitted hereunder shall be delivered in person, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested to such party at its address shown below, or to any other place designated in writing by such Party.

DEVELOPER:

HCIDLA:

City of Los Angeles Housing and Community Investment Department
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017
Attention: Rushmore D. Cervantes, General Manager

Any such notice shall be deemed received upon delivery, if delivered personally or by FAX or email, (1) the next business day after delivery by a courier, if delivered by courier, and three (3) days after deposit into the United States Mail, if delivered by registered or certified mail.

Exclusive Negotiation Agreement
[Property Address]

IN WITNESS WHEREOF, HCIDLA AND DEVELOPER have signed this Agreement as
of the dates set forth below.

HCIDLA
City of Los Angeles Housing and Community Investment Department

By: _____ Date: _____
SEAN L. SPEAR
Assistant General Manager

Approved as to form:

MICHAEL N. FEUER
City Attorney

By: _____ Date: _____

DEVELOPER

By: _____ Date: _____
NAME
Title

By: _____ Date: _____
NAME
Title

DEVELOPER

By: _____ Date: _____
NAME
Title

By: _____ Date: _____
NAME
Title

EXHIBIT A

LEGAL DESCRIPTION

SAMPLE