

CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

M E M O R A N D U M

**4**

**DATE:** MARCH 2, 2017

**TO:** GOVERNING BOARD

**FROM:** STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

**STAFF:** BARRON MCCOY, CHIEF OPERATING OFFICER  
CRAIG BULLOCK, SPECIAL PROJECTS OFFICER

**SUBJECT:** **LAND USE APPROVAL– Non-Monetary Action.** Approval of a density bonus for the construction of a residential development located at 5505-5509 Bonner Avenue in the North Hollywood Redevelopment Project Area and authorization to execute an owner participation agreement.

**RECOMMENDATIONS**

That the Governing Board take the following action:

1. Approve a density bonus of up to 25% to allow the construction, maintenance and operation of a residential development consisting of 32 residential units, including one (1) unit with Mobility Accessibility Features and one (1) unit with Hearing/Vision Accessibility Features; and
2. Authorize the Chief Executive Officer, or designee, to execute an owner participation agreement (OPA) to effectuate the construction, maintenance and operation of a residential development, as required by the North Hollywood Redevelopment Plan.

**SUMMARY**

10118 SF Ventures, LLC (Developer), represented by Shlomi Asis, is proposing to construct a 32-unit residential development (Project) in the North Hollywood Redevelopment Project Area, which exceeds the allowable density limits for that portion of the project area. The Developer is requesting that CRA/LA approve a density bonus of up to 25% to facilitate construction

The Project consists of the construction of a 32,845 square foot residential development on two (2) parcels, totaling 16,552 square feet (.38 acre), consisting of 32 residential units including one (1) unit with Mobility Accessibility Features, one (1) unit with Vision/Hearing Accessibility Features, 58 parking spaces, 36 bicycle parking spaces and 4,661 square feet of open space (Project).

The CRA/LA Governing Board has the discretion under Section 602.1 of the North Hollywood Redevelopment Plan (Plan) and Section 3(B) of the Design for Development Establishing North Hollywood Redevelopment Project Commercial Core Urban Design Guidelines (Design Guidelines) to authorize new housing to be developed with more dwelling units per gross acre than otherwise permitted in Section 3 provided that certain criteria are satisfied.

The Project is located in the Chandler/Cumpston Neighborhood of the Design Guidelines, which permits density of up to 65 units per gross acre. The requested density bonus would allow for seven (7) residential units not otherwise permissible by the Design Guidelines.

In consideration of the recommended discretionary action, Successor Agency staff requested and the Developer incorporate enhanced accessibility features within the project. The number of accessible units was determined based on the 25% density bonus being granted. Calculated on the basis of the seven (7) additional units, the requirements are for one (1) unit or 5% with Mobility Features and one (1) unit or 2% with Vision/Hearing Features. The Developer has agreed to include mobility and sensory units.

## **DISCUSSION & BACKGROUND**

### Location

The project site (Attachment A, Site Map) is approximately 16,555 square feet (0.38 acre) in size, consisting of two (2) adjacent parcels fronting on Bonner Avenue. To the north, east and west of the project site is a multi-family apartments. To the south of the project site is the Metro NoHo Red Line Station.

### Developer Entity

Shlomi Asis, representing 10118 SF Ventures, LLC, focuses on the development of single family homes and multi-family residential buildings primarily focused in the San Fernando Valley. Mr. Asis has constructed eight similar multi-family residential buildings since 1998.

### Project Description

The Developer proposes to construct one, five-story residential development consisting of 32 residential units, including one (1) units with Mobility Features, one (1) units with Vision/Hearing Features, 58 vehicular parking spaces, 36 bicycle parking spaces and 4,661 square feet of open space.

The Project consists of twelve (12) one-bedroom and twenty (20) two-bedroom units. The residential amenities will include a 1,011 square foot landscaped courtyard, 925 square foot recreational room and 1,350 square foot for rooftop patio, 975 square foot dog run area and 400 square foot of private open space. In addition, each unit will have its own private outdoor space.

The Project Site is located across the street from the NoHo Arts District and the Metro North Hollywood Red and Orange Line Stations serving the San Fernando Valley and Greater Los Angeles Area.

### Basis for Approval

Section 602.1 of the Plan and Section 3B of the Design Guidelines authorize residential developments with more housing units per gross acre than otherwise permitted by the Design Guidelines, subject to the Developer entering into an OPA. The Design Guidelines seek to achieve greater flexibility in housing design and well planned neighborhoods, offering variety in housing and environment to all socio-economic groups and to provide the most appropriate use of land through special methods of development. The Plan and Design Guidelines refer to these units as Density Bonus Units, which are separate and distinct from density bonus units available

to a developer by participating in the State density bonus program (SB 1818). The Design Guidelines authorize additional units provided that the Project meets the following:

1. Further the Goals and Objectives of the Redevelopment Plan

Redevelopment Plan Goal #4

The achievement of an environment reflecting a high level of concern for architectural landscape and urban design principles appropriate to the objectives of the Redevelopment Plan.

The Project has a high regard for urban design principles by placing the higher density residential development closer transportation facilities. The Project is located less than 200' from the Metro Red Line Station and less than 3" from the Metro Orange Line Station.

Redevelopment Plan Goal #6

To make provisions for housing as is required to satisfy the needs and desires of the various age, income and disabled groups of the community, maximizing the opportunity for individual choice.

The Project will include two (2) units for individuals with physical challenges. One (1) unit will have Mobility Features and one (1) unit will include Vision/Hearing Features.

2. Minimize the displacement of low and moderate income households and loss of low and moderate income dwelling units.

The Developer, exercising their rights under California Government Code Sections 6070-6070.7 (Ellis Act), removed the 12 residential units from rental use. This action was recorded in a Memorandum Summarizing Non-Confidential Provisions of Notice of Intent to Withdraw Housing Units from Rental Housing Use on March 24, 2016 and coordinated with the Los Angeles Housing, Community and Investment Department (LAHCID).

In compliance with Los Angeles Municipal Code Section 151.22, the Developer adequately provided required notification and compensation to the residents of the existing apartment building prior to the withdrawal of the rental units from the market.

Compensation is based on several factors including the length of tenancy, age of tenant and age of any of the tenants dependents.

There was no covenant recorded restricting the affordability of the 12 units within the building and the income of the households notified and compensated for relocation is unknown.

3. Generate within the Project Area a variety in housing and residential environments for all socio-economic groups

The Project will provide one (1) and two (2) bedroom units. All of the 32 units will be subject to the Los Angeles Rent Stabilization Ordinance. This will restrict annual rent increases to a maximum of 3%.

4. Promote revitalization, improvement of residential properties and well planned neighborhoods.  
The Project will replace a deteriorated single family dwelling and an apartment building on the site and increase the inventory of higher density housing in close proximity to transportation facilities.
5. Provide adequate floor area, living space and open space in order to avoid excessively dense development  
The Project meet or exceeds all building codes requirements for floor area, living space and open space and is not excessively dense.
6. Contribute to a desirable residential environment and long term neighborhood stability.  
The Project will create new housing at a greater density in close proximity to the Metro Orange and Red Line Stations. The Project will also create units for persons with physical challenges. All the units will be subject to the Rent Stabilization Ordinance.
7. Meet other criteria as negotiated between the CRA/LA and the owner/developer.  
Successor Agency staff requested and the Developer agreed to incorporate enhanced accessibility features within the project. Specifically, the Developer has agreed to include mobility and sensory units.

The Plan allows for the CRA/LA to authorize up to 1,500 density bonus units as defined in Section 602.1 of the Plan. To date, 192 density bonus units have been granted, not including those requested by this action.

A CRA/LA staff review of the Project and submitted plans indicates that the Project meets the findings of the Design Guidelines.

### **SOURCE OF FUNDS**

No funding is required for this action.

### **ROPS AND ADMINISTRATIVE BUDGET IMPACT**

The approval of density bonus units constitutes a "Land Use Function" as defined under Section 34173(i) of Assembly Bill 1484. On June 20, 2013, the Governing Board approved a resolution authorizing the transfer of all land use plans and functions of the successor agency to the City of Los Angeles pursuant to Section 34173(i) of the Health and Safety Code. To date, the City has not taken all the necessary steps to formally assume the CRA/LA's land use authority which would effectuate such a transfer. The Department of City Planning has been advised of and concurs with the recommended actions in this memorandum. This action is a land use approval and will not impose a financial obligation on the CRA/LA for purposes of the ROPS.

### **ENVIRONMENTAL REVIEW**

The project is exempt from CEQA pursuant to Section 15332 (In-fill Development). The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses. The project site has no value, as habitat for endangered, rare or threatened species. Approval of the project would not result in any significant effects relating to traffic, noise, air

quality, or water quality. The site can be adequately served by all required utilities and public services.



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Steve Valenzuela  
Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENTS

- Attachment A – Site Map
- Attachment B – Project Renderings
- Attachment C – Owner Participation Agreement
- Attachment D – Accessible Housing Covenant

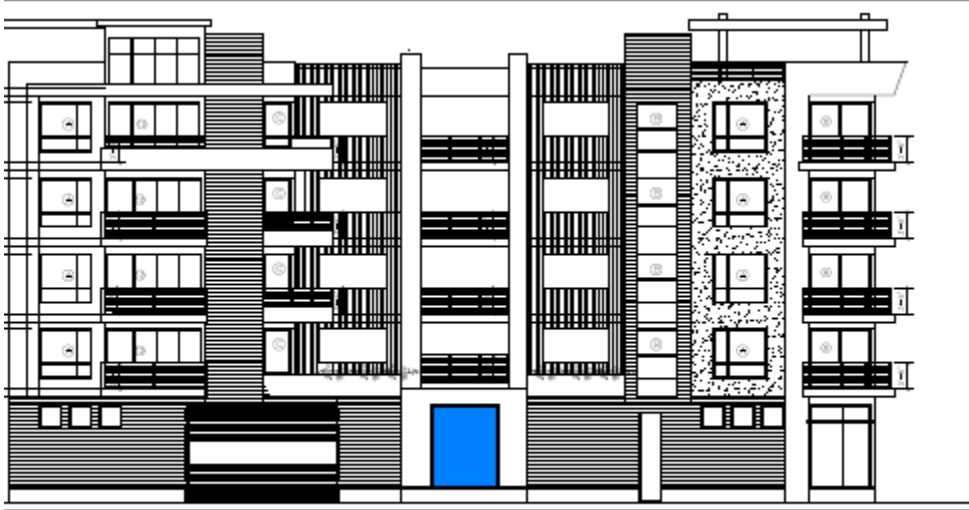
CRA/LA, A DESIGNATED LOCAL AUTHORITY  
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**Attachment A**



CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

**Attachment B**



SOUTH ELEVATION  
SCALE: 1/8"=1'-0"



NORTH ELEVATION

ATTACHMENT C

LAND USE OWNER PARTICIPATION AGREEMENT

**Development Project:** 5505 Bonner Avenue Apartments  
**Location:** 5505-5509 Bonner Avenue  
**Redevelopment Project Area:** North Hollywood  
**Assessor Parcel Number:** 2350-005-015 & 2350-005-014  
**Legal Description:** See Attachment "A"

This Land Use Owner Participation Agreement ("OPA") dated as of March \_\_, 2017 is entered into by and between 10118 SF Ventures, LLC ("Applicant" or "Participant") and CRA/LA, A Designated Local Authority ("CRA/LA" or "Agency") with reference to the property at 5505-5509 Bonner Avenue in the North Hollywood Redevelopment Project Area.

RECITALS

- A. Applicant proposes to redevelop the Property through the construction of a five-story residential development of approximately 32,845 feet on two (2) parcels consisting of 32 residential units all subject to the Rent Stabilization Ordinance (RSO) and one unit (1) with Mobility Features, one (1) unit with Hearing/Vision Features, 53 vehicle parking spaces and 36 bicycle parking and 4,661 square feet of open space ("Project"). The Project is located within the North Hollywood Redevelopment Project Area ("Project Area") and the North Hollywood-Valley Village Community Plan area ("Community Plan").
- B. Two (2) parcels are located in the NoHo Arts District of the Design for Development Establishing North Hollywood Redevelopment Project Commercial Core Urban Design Guidelines (Design Guidelines) which allow 65 units per acre.
- C. Section 602.1 of the Plan and Section 3 of the Design for Development Establishing North Hollywood Redevelopment Project Commercial Core Urban Design Guidelines (Design Guidelines) authorizes, subject to an OPA, residential developments with more housing units per gross acre than otherwise permitted in Section 602 and Section 3 but not greater than 25% to achieve greater flexibility in housing design and well planned neighborhoods offering variety in housing and environment to all socio-economic groups and to provide the most appropriate use of land through special methods of development. Authorization may be granted provided that:
  1. Further the Goals and Objectives of the Redevelopment Plan  
Redevelopment Plan Goal #4  
The achievement of an environment reflecting a high level of concern for architectural landscape and urban design principles appropriate to the objectives of the Redevelopment Plan.  
The Project has a high regard for urban design principles by placing the higher density residential development closer to transportation facilities.



The Project is located less than 200' from the Metro Red Line Station and less than 300' from the Metro Orange Line Station.

Redevelopment Plan Goal #6

To make provisions for housing as is required to satisfy the needs and desires of the various age, income and disabled groups of the community, maximizing the opportunity for individual choice.

The Project will include two (2) units for individuals with physical challenges. One (1) unit will have Mobility Features and one (1) unit will include Vision/Hearing Features.

The Project will be subject to the Rent Stabilization Ordinance thus limiting the amount that the Owner is limited to a maximum amount outlined in the ordinance.

2. Minimize the displacement of low and moderate income households and loss of low and moderate income dwelling units.

The Developer, exercising their rights under California Government Code Sections 6070-6070.7 (Ellis Act), removed the 12 residential units from rental use. This action was recorded in a Memorandum Summarizing Non-Confidential Provisions of Notice of Intent to Withdraw Housing Units from Rental Housing Use on March 24, 2016 and coordinated with the Los Angeles Housing, Community and Investment Department (LAHCID).

In compliance with Los Angeles Municipal Code Section 151.22, the Developer adequately provided required notification and compensation to the residents of the existing apartment building prior to the withdrawal of the rental units from the market.

Compensation is based on several factors including the length of tenancy, age of tenant and age of any of the tenant's dependents.

There was no covenant recorded restricting the affordability of the 12 units within the building and the income of the households notified and compensated for relocation is unknown.

3. Generate within the Project Area a variety in housing and residential environments for all socio-economic groups

The Project will provide one (1) and two (2) bedroom units. Of the units 12 will be subject to the Los Angeles Rent Stabilization Ordinance.

4. Promote revitalization, improvement of residential properties and well planned neighborhoods.

The Project will replace a deteriorated single family dwelling and an apartment building on the site. The Project will be subject to the Rent Stabilization Ordinance which will restrict the annual rental increases.

5. Provide adequate floor area, living space and open space in order to avoid excessively dense development.

The Project meet or exceeds all building codes requirements for floor area, living space and open space and is not excessively dense.

6. Contribute to a desirable residential environment and long term neighborhood stability.

The Project will create new housing at a greater density in close proximity to the Metro Orange and Red Line Stations. The Project will also create units for persons with physical challenges.

7. Meet other criteria as negotiated between the CRA/LA and the owner/developer.

Successor Agency staff requested and the Developer agreed to incorporate enhanced accessibility features within the project. Specifically, the Developer has agreed to include mobility and sensory units.

- D. A CRA/LA staff review of the Project and plans submitted was completed. It is staff's belief that the Plan's requirements have been satisfied.

- E. The CRA/LA Governing Board has made the following findings and determinations:

1. The proposed Project conforms to the North Hollywood-Valley Village Community Plan as determined by the City of Los Angeles.
2. The requirements of Section 604 of the Plan and Section 3 of the Design Guidelines have been satisfied by CRA/LA specified design and location criteria in the following matter:
  - a. *The development will include the 5% or one (1) units with Mobility Features and 2% or one (1) units with Vision/Hearing Features, which will be memorized through a recorded Accessible Housing Covenant.*
  - b. *The development will include twelve (12) housing units that are subject to the Rent Stabilization Ordinance for individuals and families*

- c. *The Project Site is approximately 300 feet away from the Metro Orange and Red Line stations, serving the San Fernando Valley and Greater Los Angeles Area. In addition, Metro buses 224 and 656 (Lankershim Boulevard) and 152 (Vineland Avenue) 156 and 183 (Magnolia Boulevard) are all within walking distance of the Project Site.*

NOW, THEREFORE, in consideration for and as a condition of CRA/LA's exercise of its discretionary approval to allow the Project to be constructed as defined in Section 604 of the Plan, Participant hereby agrees to comply with the following terms and conditions:

1. Compliance with Criteria – Participant shall develop, maintain and operate the Project in compliance with all applicable ordinances and regulations of the City of Los Angeles as they now exist or as they are amended from time to time.
2. Participant Indemnity – Participant shall indemnify, defend (with counsel approved by the CRA/LA) and hold harmless CRA/LA and its appointed and elected officers, Governing Board and Oversight Board, employees, agents, consultants and contractors (collectively, "Indemnitees") from and against any and all liabilities, losses, costs, expenses (including reasonable and actual attorney fees and litigation costs), claims, demands, actions, suits, causes of actions, writs, judicial or administrative proceedings, penalties, fines, orders, judgments and damages (collectively, "Claims") which arise in connection with, relate to, are caused by or alleged to be caused by: (i) approval of this OPA; (ii) performance of this OPA by Participant or any of its contractors or sub-contractors; and/or (iii) rehabilitation, operation, maintenance of management of the Project improvements, whether or not any insurance policies are determined to be applicable to such Claims. Additionally, Participant shall immediately pay upon Indemnitee's demand any amounts owing under this Indemnity. Participant's duty to indemnify includes the duty to defend Indemnitees or, at their choosing, to pay their reasonable and actual defense costs in any court or administrative action or other proceedings brought by any third party arising from the development of the Project on the Property. The Indemnitees may make all reasonable decisions with respect to their representation in any legal proceeding, including but not limited to, selection of their counsel. Notwithstanding the above, Participant's obligations under this Indemnity shall not apply to Claims solely from the gross negligence or willful misconduct of the Indemnitees.
3. Permitted Transfers – Subject to the CRA/LA's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, Participant may assign this Agreement and its rights and ongoing obligations hereunder, provided that the assignee expressly assumes the ongoing obligations of Participant hereunder, and further provided that Participant may change the operator or operators of the Project's components without notice to or consent of CRA/LA. Upon any such assignment by Participant and assumption by the assignee, or upon Participant's transfer of its interest in the Property,

Participant shall be fully relieved from any further liability hereunder. Nothing contained herein shall restrict or limit Participant's rights to transfer its interest in the Property to any other party.

4. Termination of the Agreement – Participant shall have the right to terminate this Agreement at any time upon at least thirty (30) days prior written notice and/or prior to the commencement of construction of the Project. In the event that Participant terminates the Agreement, the Property shall be restricted to a density of 65 units per acre on the two (2) parcels.

SIGNATURE PAGE FOLLOWING

IN WITNESS WHEREOF, the Parties have executed this OPA as of the date written above.

**CRA/LA, A DESIGNATED LOCAL  
AUTHORITY**

**10118 SF Ventures, LLC**

\_\_\_\_\_  
Steve Valenzuela  
Chief Executive Officer

\_\_\_\_\_  
Shlomi Asis

APPROVED AS TO FORM:

GOLDFARB & LIPMAN, LLP

By: \_\_\_\_\_  
Thomas Webber  
CRA/LA Legal Counsel

ATTACHMENT A

Legal Description

All that certain real property situation in the County of Los Angeles, State of California, described as follows:

5505 – 5509 Bonner Avenue

Lot FR 68 and FR 39, in Block 40 of Track 1316 in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 18, Page 81 of Maps, in the Office of the County Recorder of Said County

Assessor's Parcel Number (APN) 2350-005-015 & 2350-005-014

ATTACHMENT B

Property Map



ATTACHMENT D

Document entitled to free  
Recording per Government Code  
Section 6103

Recorded at the request of and mail to:  
CRA/LA, A Designated Local Authority  
448 South Hill Street, Suite 1200  
Los Angeles, CA 90013

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

**ACCESSIBLE HOUSING COVENANT**

**Between**

**CRA/LA, A DESIGNATED LOCAL AUTHORITY**

and

**Shlomi Asis**

relating to

**LAND USE OWNER PARTICIPATION AGREEMENT**

**For**

**5505-5509 BONNER AVENUE  
NORTH HOLLYWOOD**

Dated as of MARCH 2, 2017



## ACCESSIBLE HOUSING COVENANT

**THIS ACCESSIBLE HOUSING COVENANT** ("Covenant Agreement") is made, entered into and dated as of March \_\_, 2017 by and between **CRA/LA, A Designated Local Authority ("CRA/LA")**, successor to The Community Redevelopment Agency of the City of Los Angeles and Shlomi Asis ("Owner").

### WITNESSETH:

WHEREAS, Owner is the fee owner of that certain proposed development commonly referred to as the 5505 Bonner Avenue Apartments and located at 5505-5509 Bonner Avenue (the "Project") as more particularly described in Exhibit A attached hereto; and

WHEREAS, Owner proposes to develop 32 residential units at the Project; and

WHEREAS, CRA/LA and Owner have executed that certain Land Use Owner Participation Agreement dated as of March \_\_, 2017 ("OPA"); and

WHEREAS, pursuant to the OPA, CRA/LA granted Owner increased in density for the Project, allowing Owner to construct additional housing units; and

WHEREAS, in consideration for CRA/LA authorizing the increase density for the Project, Owner has agreed to provide accessible units in the Project in accordance with this Covenant Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, CRA/LA and the Owner hereby agree as follows:

### **Section 1. Definitions.**

"Accessibility Requirements" refers to the accessibility requirements that must be followed in the design, construction or alteration of the Project or an individual housing unit of the Project (including public/common use elements), based on all the applicable laws and regulations, including: (1) Title II of the Americans with Disabilities Act ("ADA"), 42 U.S.C. §12101, et seq. and the implementing standards ("2010 ADA Standards") at 28 C.F.R. Part 35 and the 2004 ADA Accessibility Guidelines ("ADAAG"), (2) Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, the implementing regulations at 24 C.F.R. Part 8, as well as the requirements of UFAS, (3) the Fair Housing Act of 1968, as amended, 42 U.S.C. §§3601-3620; and its implementing regulations as 24 C.F.R. Parts 100, 103, 108, 110, and 121; and (4) the California Building Codes.

"Accessible" means when used with respect to a Housing Unit or Housing Development, full compliance with the Accessibility Requirements.

"Accessible Housing Development" means a Housing Development that is Accessible, including Accessible public and common use areas.

"Accessible Housing Units" means collectively Housing Units that are on an Accessible Route, are Accessible, and are located in an Accessible Housing Development. The term Accessible Units refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features.

"Housing Development" means the whole of one or more residential structures and appurtenant structures in the Project, including common walkways and parking lots that were or are designed, constructed, altered, operated, administered or financed in whole or in part in connection with the OPA.

"Housing Unit" means a single unit of residence in the Housing Development that provide spaces for living, bathing, and sleeping.

"Housing Unit with Hearing/Vision Features" means a Housing Unit that complies with 24 C.F.R. §8.22 and the applicable UF AS or 2010 ADA Standards.

"Housing Unit with Mobility Features" means a Housing Unit that complies with 24 C.F.R. §8.22 and the applicable UFAS or 2010 ADA Standards.

"UFAS" means the Uniform Federal Accessibility Standards for the design, construction or alteration of buildings and facilities to ensure that they are readily accessible to and usable by individuals with disabilities, 24 C.F.R §40, Appendix A.

**Section 2. Requirements of CRA/LA.** As of the Effective Date, the Owner represents, warrants, covenants and agrees as follows:

(a) Accessible Housing Units. The Housing Development shall be constructed in accordance with the 2010 ADA Standards to ensure accessibility for persons with disabilities. Accessibility retrofit of the Housing Development shall take place concurrently with other Project construction activities. The following types of Accessible Housing Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the unit.

(i) At least five percent (5%) of the total Housing Units in the Housing Development or one (1) Housing Units shall be constructed and maintained by the Owner as Housing Units with Mobility Features.

(ii) At least two percent (2%) of the total Housing Units in the Housing Development or one (1) Housing Units shall be constructed and maintained by the Owner as Housing Units with Hearing/Vision Features.

(iii) The Accessible Housing Units shall, to the maximum extent feasible, be dispersed in terms of location within the Housing Development, and shall be provided in a range of unit sizes and types.

(iv) Following reasonable notice to Owner, Owner shall allow CRA/LA to conduct annual onsite inspections of the Housing Development and the Housing Units in order to verify compliance with the Accessibility Standards.

(b) The Housing Development as a whole and all Housing Units shall meet the requirements of the Fair Housing Act of 1968, as amended.

**Section 3. Occupancy of Accessible Units.** Owner shall use suitable means to assure that information regarding the availability of Accessible Units reaches eligible individuals with disabilities, and will take reasonable, nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, Owner will take the following steps when an Accessible Unit becomes vacant:

- a. First, Owner will offer the unit to a current occupant of the Housing Development who has requested and needs the features of an Accessible Unit;
- b. Second, Owner will offer the unit to a current occupant of a Housing Development under common control who has requested and needs the features of an Accessible Unit; and
- c. Third, Owner will offer the unit to an eligible, qualified non-resident/applicant on the Housing Development waiting list who needs the features of an Accessible Unit.

In the event that more than one household has requested an Accessible Unit, Owners will offer the Accessible Unit to households who need the Accessible Unit in the order that the households appear on the Owner's waiting list.

**Section 7. Notices, Demands, Payments and Communication.** Formal notices, demands, payments and communications between the CRA/LA and the Owner shall be sufficiently given and dispatched by registered or certified mail, or delivered personally to the principal office of the CRA/LA as follows:

To CRA/LA:  
CRA/LA, A Designated Local Authority  
448 South Hill Street, Suite 1200  
Los Angeles, CA 90013

To Owner:  
Shlomi Asis  
c/o GA Engineering, Inc  
19562 Ventura Blvd., Suite 230  
Tarzana, CA 91356

**Section 8. Effective Date and Term of the Covenant Agreement.** This Covenant Agreement shall be effective on the date this Covenant Agreement is recorded in the Official Records of the County of Los Angeles (the "Effective Date"). The term of this Covenant

Agreement shall commence on the Effective Date and terminate as of the fifty-fifth (55th) anniversary of the Effective Date.

**Section 9. Covenant To Run With the Land.** The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Covenant Agreement. CRA/LA and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project, provided, however, that on the termination of this Covenant Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

**Section 10. Default and Remedies.** In the event of any breach of this Covenant Agreement by Owner, CRA/LA will first notify the Owner in writing of its purported breach or failure, giving the Owner thirty (30) days from receipt of such notice to cure such breach or failure. If the Owner does not cure the default within such thirty-day period (or if the default is not reasonably susceptible of being cured within such thirty-day period and the Owner fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then CRA/LA may pursue any and all remedies at law and equity, including specific performance.

**Section 11. Americans with Disabilities Act.** The Owner hereby certifies that it and any contractor and subcontractor will comply with the Accessibility Requirements. The Owner and any contractor and subcontractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with the applicable provisions the Section 504 of the Rehabilitation Act of 1973, 29 V.S.C §794, and implementing regulations at 24 C.F.R. Part 8 (Section 504); Title II of the Americans with Disabilities Act, 42 U.S.C. 12131-12134, and implementing regulations at 28 C.F.R. pt. 35 ("ADA"); and the Fair Housing Act of 1968, as amended, 42 U.S.C. §§3601-3620, and implementing regulations at 24 C.F.R. Parts 100, 103, 108, 110, and 121. The Owner and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract and subcontract entered into by the Owner, relating to this Covenant Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

**Section 12. Governing Law.** This Covenant Agreement shall be governed by the laws of the State of California.

**Section 13. Counterparts.** This Covenant Agreement may be executed in counterparts, each of which, when the parties hereto have signed the Agreement, shall be one and the same instrument.

**Section 14. Recording and Filing.** CRA/LA shall cause this Covenant Agreement to be recorded and filed in the real property records of the County of Los Angeles and in such other places as CRA/LA may reasonably request.

**Section 15. Entire Agreement.** The provisions herein constitute the entire agreement between the parties hereto. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein. This Covenant Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California.

IN WITNESS WHEREOF, the parties have executed this Covenant Agreement by their duly authorized representatives, all as set forth as of the date written above.

CRA/LA, A DESIGNATED LOCAL AUTHORITY

Shlomi Asis

By: \_\_\_\_\_  
Estevan Valenzuela  
Chief Executive Officer

By: \_\_\_\_\_  
Shlomi Asis

APPROVED AS TO FORM:

GOLDFARB & LIPMAN, LLP

By: \_\_\_\_\_  
Thomas Webber  
CRA/LA Legal Counsel

ATTACHMENT D

Document entitled to free  
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**ACCESSIBLE HOUSING COVENANT**

**Between**

**CRA/LA, A DESIGNATED LOCAL AUTHORITY**

and

**10118 SF Ventures, LLC**

relating to

**LAND USE OWNER PARTICIPATION AGREEMENT**

**For**

**5505-5509 BONNER AVENUE**

**NORTH HOLLYWOOD**

Dated as of MARCH 2, 2017

## ACCESSIBLE HOUSING COVENANT

**THIS ACCESSIBLE HOUSING COVENANT** ("Covenant Agreement") is made, entered into and dated as of March \_\_, 2017 by and between **CRA/LA, A Designated Local Authority ("CRA/LA")**, successor to The Community Redevelopment Agency of the City of Los Angeles and Shlomi Asis ("Owner").

### WITNESSETH:

WHEREAS, Owner is the fee owner of that certain proposed development commonly referred to as the 5505 Bonner Avenue Apartments and located at 5505-5509 Bonner Avenue (the "Project") as more particularly described in Exhibit A attached hereto; and

WHEREAS, Owner proposes to develop 32 residential units at the Project; and

WHEREAS, CRA/LA and Owner have executed that certain Land Use Owner Participation Agreement dated as of March \_\_, 2017 ("OPA"); and

WHEREAS, pursuant to the OPA, CRA/LA granted Owner increased in density for the Project, allowing Owner to construct additional housing units; and

WHEREAS, in consideration for CRA/LA authorizing the increase density for the Project, Owner has agreed to provide accessible units in the Project in accordance with this Covenant Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, CRA/LA and the Owner hereby agree as follows:

#### **Section 1. Definitions.**

"Accessibility Requirements" refers to the accessibility requirements that must be followed in the design, construction or alteration of the Project or an individual housing unit of the Project (including public/common use elements), based on all the applicable laws and regulations, including: (1) Title II of the Americans with Disabilities Act ("ADA"), 42 U.S.C. §12101, et seq. and the implementing standards ("2010 ADA Standards") at 28 C.F.R. Part 35 and the 2004 ADA Accessibility Guidelines ("ADAAG"), (2) Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, the implementing regulations at 24 C.F.R. Part 8, as well as the requirements of UFAS, (3) the Fair Housing Act of 1968, as amended, 42 U.S.C. §§3601-3620; and its implementing regulations as 24 C.F.R. Parts 100, 103, 108, 110, and 121; and (4) the California Building Codes.

"Accessible" means when used with respect to a Housing Unit or Housing Development, full compliance with the Accessibility Requirements.

"Accessible Housing Development" means a Housing Development that is Accessible, including Accessible public and common use areas.

"Accessible Housing Units" means collectively Housing Units that are on an Accessible Route, are Accessible, and are located in an Accessible Housing Development. The term Accessible Units refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features.

"Housing Development" means the whole of one or more residential structures and appurtenant structures in the Project, including common walkways and parking lots that were or are designed, constructed, altered, operated, administered or financed in whole or in part in connection with the OPA.

"Housing Unit" means a single unit of residence in the Housing Development that provide spaces for living, bathing, and sleeping.

"Housing Unit with Hearing/Vision Features" means a Housing Unit that complies with 24 C.F.R. §8.22 and the applicable UF AS or 2010 ADA Standards.

"Housing Unit with Mobility Features" means a Housing Unit that complies with 24 C.F.R. §8.22 and the applicable UFAS or 2010 ADA Standards.

"UFAS" means the Uniform Federal Accessibility Standards for the design, construction or alteration of buildings and facilities to ensure that they are readily accessible to and usable by individuals with disabilities, 24 C.F.R §40, Appendix A.

**Section 2. Requirements of CRA/LA.** As of the Effective Date, the Owner represents, warrants, covenants and agrees as follows:

(a) Accessible Housing Units. The Housing Development shall be constructed in accordance with the 2010 ADA Standards to ensure accessibility for persons with disabilities. Accessibility retrofit of the Housing Development shall take place concurrently with other Project construction activities. The following types of Accessible Housing Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the unit.

(i) At least five percent (5%) of the total Housing Units in the Housing Development or one (1) Housing Units shall be constructed and maintained by the Owner as Housing Units with Mobility Features.

(ii) At least two percent (2%) of the total Housing Units in the Housing Development or one (1) Housing Units shall be constructed and maintained by the Owner as Housing Units with Hearing/Vision Features.

(iii) The Accessible Housing Units shall, to the maximum extent feasible, be dispersed in terms of location within the Housing Development, and shall be provided in a range of unit sizes and types.



(iv) Following reasonable notice to Owner, Owner shall allow CRA/LA to conduct annual onsite inspections of the Housing Development and the Housing Units in order to verify compliance with the Accessibility Standards.

(b) The Housing Development as a whole and all Housing Units shall meet the requirements of the Fair Housing Act of 1968, as amended.

**Section 3. Occupancy of Accessible Units.** Owner shall use suitable means to assure that information regarding the availability of Accessible Units reaches eligible individuals with disabilities, and will take reasonable, nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, Owner will take the following steps when an Accessible Unit becomes vacant:

- a. First, Owner will offer the unit to a current occupant of the Housing Development who has requested and needs the features of an Accessible Unit;
- b. Second, Owner will offer the unit to a current occupant of a Housing Development under common control who has requested and needs the features of an Accessible Unit; and
- c. Third, Owner will offer the unit to an eligible, qualified non-resident/applicant on the Housing Development waiting list who needs the features of an Accessible Unit.

In the event that more than one household has requested an Accessible Unit, Owners will offer the Accessible Unit to households who need the Accessible Unit in the order that the households appear on the Owner's waiting list.

**Section 7. Notices, Demands, Payments and Communication.** Formal notices, demands, payments and communications between the CRA/LA and the Owner shall be sufficiently given and dispatched by registered or certified mail, or delivered personally to the principal office of the CRA/LA as follows:

To CRA/LA:  
CRA/LA, A Designated Local Authority  
448 South Hill Street, Suite 1200  
Los Angeles, CA 90013

To Owner:

10118 SF Ventures, LLC  
12439 Magnolia Blvd., #185  
Valley Village, CA. 91607

**Section 8. Effective Date and Term of the Covenant Agreement.** This Covenant Agreement shall be effective on the date this Covenant Agreement is recorded in the Official Records of the County of Los Angeles (the "Effective Date"). The term of this Covenant

Agreement shall commence on the Effective Date and terminate as of the fifty-fifth (55th) anniversary of the Effective Date.

**Section 9. Covenant To Run With the Land.** The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Covenant Agreement. CRA/LA and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project, provided, however, that on the termination of this Covenant Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

**Section 10. Default and Remedies.** In the event of any breach of this Covenant Agreement by Owner, CRA/LA will first notify the Owner in writing of its purported breach or failure, giving the Owner thirty (30) days from receipt of such notice to cure such breach or failure. If the Owner does not cure the default within such thirty-day period (or if the default is not reasonably susceptible of being cured within such thirty-day period and the Owner fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then CRA/LA may pursue any and all remedies at law and equity, including specific performance.

**Section 11. Americans with Disabilities Act.** The Owner hereby certifies that it and any contractor and subcontractor will comply with the Accessibility Requirements. The Owner and any contractor and subcontractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with the applicable provisions the Section 504 of the Rehabilitation Act of 1973, 29 V.S.C §794, and implementing regulations at 24 C.F.R. Part 8 (Section 504); Title II of the Americans with Disabilities Act, 42 U.S.C. 12131-12134, and implementing regulations at 28 C.F.R. pt. 35 ("ADA"); and the Fair Housing Act of 1968, as amended, 42 U.S.C. §§3601-3620, and implementing regulations at 24 C.F.R. Parts 100, 103, 108, 110, and 121. The Owner and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract and subcontract entered into by the Owner, relating to this Covenant Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

**Section 12. Governing Law.** This Covenant Agreement shall be governed by the laws of the State of California.

**Section 13. Counterparts.** This Covenant Agreement may be executed in counterparts, each of which, when the parties hereto have signed the Agreement, shall be one and the same instrument.

**Section 14. Recording and Filing.** CRA/LA shall cause this Covenant Agreement to be recorded and filed in the real property records of the County of Los Angeles and in such other places as CRA/LA may reasonably request.


**Section 15. Entire Agreement.** The provisions herein constitute the entire agreement between the parties hereto. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein. This Covenant Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California.

IN WITNESS WHEREOF, the parties have executed this Covenant Agreement by their duly authorized representatives, all as set forth as of the date written above.

CRA/LA, A DESIGNATED LOCAL AUTHORITY

10118 SF Ventures, LLC

By: \_\_\_\_\_  
Estevan Valenzuela  
Chief Executive Officer

By:  \_\_\_\_\_  
Shlomi Asis

APPROVED AS TO FORM:

GOLDFARB & LIPMAN, LLP

By: \_\_\_\_\_  
Thomas Webber  
CRA/LA Legal Counsel

EXHIBIT A

Legal Description

All that certain real property situation in the County of Los Angeles, State of California, described as follows:

5505 – 5509 Bonner Avenue

Lot FR 68 and FR 39, in Block 40 of Track 1316 in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 18, Page 81 of Maps, in the Office of the County Recorder of Said County

Assessor's Parcel Number (APN) 2350-005-015 & 2350-005-014