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RECORDING REQUESTED BY

RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
31 MIN. 1 P.M DEC 10 1991
PAST.

AND WHEN RECORDED MAIL TO:

NAME: Housing Authority of the City of Los Angeles
Attention: Operations
STREET: 515 Columbia Avenue
CITY, STATE & : Los Angeles, California 90017
ZIP CODE

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

AGREEMENT FOR DEVELOPMENT OF
UNITS FOR LEASE OR SALE
("15% ORDINANCE")

FREE F

This Agreement is entered into on 12 - 10 1991
by and between TELACU
his/her successors and assigns, hereinafter referred to as the
"DEVELOPER," at business address: 5400 F. Olympic Blvd., Ste. 300,

Los Angeles, California 90022
State of California, and the Housing Authority of the City of
Los Angeles by the Executive Director of the Housing Authority
acting pursuant to Section 12.39E of the Los Angeles Municipal
Code, hereinafter referred to as the "HOUSING DIRECTOR."

WITNESSETH

WHEREAS, Ordinance No. 145927 entitled, "An Ordinance
amending Sections 12.03 and 13.04 of the Los Angeles Municipal
Code and adding Section 12.39 thereto," was passed by the City
Council of the City of Los Angeles on April 30, 1974 and
approved by the Mayor on April 30, 1974; and

WHEREAS, Ordinance No. 159162 entitled, "An Ordinance
Amending Los Angeles Municipal Code Section 12.39 regarding low
and moderate income housing," was passed by the City Council of
the City of Los Angeles on July 3, 1984, and approved by the
Mayor on July 10, 1984; and

WHEREAS, Ordinance No. 145927 and Ordinance No. 159162
were enacted for the purpose of making increased housing
opportunities in the City of Los Angeles available to low and
moderate income households; and

WHEREAS, DEVELOPER desires to develop a Housing Development subject to said Ordinances by construction pursuant to a building permit or by conversion to condominium ownership pursuant to a final subdivision tract map; and

WHEREAS, DEVELOPER is the owner of property commonly known as (street address) 3711 BALDWIN STREET CITY OF LOS ANGELES

Los Angeles, California and further described in Exhibit A attached hereto and made a part hereof, hereinafter referred to as "HOUSING DEVELOPMENT" or "DEVELOPMENT;" and

WHEREAS, said Ordinances require the proper execution, recordation and submission to the Department of Building and Safety of agreements between DEVELOPER and the Housing Authority pursuant to said Ordinances before any such building permit is issued or final tract map is approved; and

WHEREAS, a Special Power of Attorney has been duly authorized and executed between the City of Los Angeles (Council File No. 83-0049) and the Housing Authority (Resolution No. 5411), which authorizes the Superintendent of Building and General Manager of the Department of Building and Safety to execute this Agreement on behalf of the HOUSING DIRECTOR; and

NOW, THEREFORE, DEVELOPER and HOUSING DIRECTOR have read said Ordinances and pursuant to the requirements therein, do covenant and agree as follows:

SECTION 1 GENERAL PROVISIONS

A. That DEVELOPER agrees to comply with all requirements of Ordinance No. 145927 and Ordinance No. 159162 (hereinafter referred to as the "ORDINANCE") which are herein incorporated by reference and made a part of this Agreement as though fully set forth.

B. That all provisions contained in this Agreement shall be interpreted as being consistent with the ORDINANCE and in the event of conflicting language, the ORDINANCE shall prevail and be controlling.

C. That words and phrases used in this Agreement shall be interpreted pursuant to the definitions set forth in the ORDINANCE.

D. When used in this Agreement, "OWNER" means the owner of a Housing Development subject to the provisions of the ORDINANCE and shall include one who has purchased a dwelling unit in the Housing Development at a foreclosure sale or acquired the property by deed in lieu of foreclosure.

SECTION 2 HOUSING DEVELOPMENT

A. DEVELOPER agrees to make every reasonable effort to develop at least 6 percent of the total number of units in the Development at a cost which would allow them to be rented or sold as low-income dwelling units at fair or market value and at least an additional 9 percent of the total number of units in the Development at a cost which would allow them to be rented or sold as low or moderate-income dwelling units at fair market value.

B. DEVELOPER agrees to make such units available at the fair market value to the Housing Authority or to low or moderate income households approved by the Housing Authority.

C. DEVELOPER agrees that any such units developed in accordance with subsection A and B shall continue to be available as low or moderate income dwelling units.

SECTION 3 LEASE-RIGHT OF FIRST REFUSAL

A. If DEVELOPER, after every reasonable effort to comply with Section 2 of this Agreement, determines that it cannot so comply, DEVELOPER hereby grants to the Housing Authority the continuing right of first refusal to lease at fair market value any of the units in the Development, up to a total of 15% of the total number of units in the Development as specified in the ORDINANCE.

B. DEVELOPER agrees that the Housing Authority may exercise its right of first refusal at the then fair market value whenever all occupants of any unit in the Development terminate or give notice of intent to terminate their occupancy, and after such termination fewer than 15% of the total number of units in the Development would be occupied as low or moderate income dwelling units.

C. When funding is available, the Housing Authority shall notify the DEVELOPER or OWNER that it may wish to exercise its right of first refusal. After such notification, DEVELOPER or OWNER shall immediately notify the Housing Authority in writing of any such terminations or intents to terminate as they occur.

D. Failure by the Housing Authority to respond within seven (7) days after receipt of a notice from the DEVELOPER or OWNER shall be deemed a decision by the Housing Authority to not exercise its right of first refusal for that single termination of the particular unit. The failure to respond is deemed a decision by the Housing Authority for the single notice of termination or intent to terminate and shall not preclude the Housing Authority from exercising its right of first refusal at any other time.

SECTION 4 SALE-CONTINUING RIGHTS

A. If DEVELOPER of units for sale, after every reasonable effort to comply with Section 2 of this Agreement, determines that it cannot so comply, DEVELOPER hereby grants to the Housing Authority the continuing right to require that any units in the Development subsequently available for sale or resale up to a total of 15% of the total number of units, be sold at the then fair market value only to low or moderate income households approved by the Housing Authority.

B. When funding is available, the Housing Authority shall notify the DEVELOPER or OWNER that it may wish to exercise its rights pursuant to this Section. After such notification, DEVELOPER or OWNER shall immediately notify the Housing Authority in writing of the availability of a subject unit as it occurs. DEVELOPER or OWNER should indicate the fair market value of the property in the notification.

C. Failure by the Housing Authority to respond within seven (7) days after receipt of a notice from the DEVELOPER or OWNER shall be deemed a decision by the Housing Authority to not exercise its right pursuant to this section. The failure to respond is deemed a decision by the Housing Authority for the single notice of termination or intent to terminate and shall not preclude the Housing Authority from exercising its rights pursuant to this section at any other time.

D. In the event of any sale, transfer, assignment or any other change in ownership of the Development, DEVELOPER, its heirs, executors, administrators, bankruptcy trustees or masters shall notify the HOUSING DIRECTOR, in writing, of the name and address of said new owner of the Development.

E. In the event the Housing Development is made available for rental, the DEVELOPER or OWNER shall notify the Housing Authority in writing and shall comply with the lease provisions of Section 2 and Section 3.

SECTION 5 STANDARDS

DEVELOPER or OWNER agrees that low and moderate income dwelling units required by this section shall:

A. Be reasonably dispersed throughout the Development;

B. Generally reflect the average number of bedrooms per dwelling unit for the development as a whole;

91 1938796

C. Be designed to harmonize with other residential structures and units in the Development.

SECTION 6 ENFORCEMENT

A. This agreement shall run with the land and the right to enforce this Agreement through any proceedings at law or in equity lies only with the Housing Authority, its successors, the HOUSING DIRECTOR, and the City of Los Angeles.

B. All covenants of the parties hereto are expressly declared to be binding upon the heirs, executors, administrators, assignees, transferees and successors of the respective parties.

C. In addition to the above, DEVELOPER agrees to incorporate the provisions and terms of this Agreement into all documents which transfer any right or interest in the Housing Development or in any dwelling unit in the Development and into any Declaration of Covenants, Conditions and Restrictions. The Housing Authority, its successors, and the City of Los Angeles shall be the beneficiaries of any such provision.

D. It is understood and agreed that no waiver of a breach of any of the provisions of this Agreement shall be construed as a waiver of any other breach; nor shall failure to enforce any portion of this Agreement be construed as a waiver of any of the conditions of this Agreement.

E. In the event DEVELOPER or OWNER or their successors and assigns attempt to sell a dwelling unit subject to the provisions of this Agreement without affording the Housing Authority the rights granted in this Agreement, such sale shall be voidable and may be set aside by the Housing Authority in addition to any other remedy provided by law.

F. It is expressly agreed that if any condition or restriction contained herein or any portion thereof is invalid or void, such shall in no way affect any other condition or restriction.

G. Should any mortgage or deed of trust, now or hereafter existing on the above described property, be foreclosed, then title acquired by such foreclosure and the person or persons who thereupon and thereafter become the owner of such property shall be subject to and bound by all terms of this Agreement.

H. Any provision hereof to the contrary notwithstanding, (1) the continuing rights created hereby shall have no applicability whatsoever to any foreclosure sale (whether

judicial or non-judicial) conducted under or pursuant to the terms of a valid deed of trust; (2) the provisions of this instrument shall not invalidate the lien of any mortgage or deed of trust made in good faith and for value, but the terms of this Agreement shall be binding upon any person whose title is derived through foreclosure sale or trustee's sale, including the purchaser at said sales.

I. Any or all of the obligations of DEVELOPER set forth in this Agreement may be released by an instrument executed under the authority of an Ordinance of the City of Los Angeles to the extent and by the person directed in each Ordinance. Unless so released, the repeal or Amendment of the ORDINANCE shall not affect the validity, enforceability or construction of this Agreement.

J. DEVELOPER agrees that this Agreement may be executed by any party designated by the Housing Authority on behalf of the Housing Authority, and that such execution by said designated party shall be deemed valid and not subject to attack by DEVELOPER or OWNER, its heirs, executors, administrators, successors and assigns.

SECTION 7 GRANTING CLAUSE

DEVELOPER does hereby grant, assign and set over to the Housing Authority and the City of Los Angeles all the rights enumerated in this Agreement which shall run with the land and shall be binding upon all heirs, executors, administrators, assignees, transferees and successors of the respective parties.

All the rights contained in this Agreement are for the direct benefit of the City of Los Angeles, the land therein, its citizens and residents, pursuant to public policy to establish, ensure and preserve adequate, affordable housing throughout the City.

DEVELOPER grants to the Housing Authority and the City of Los Angeles the power to exercise and enforce any and all benefits conferred by this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement at Los Angeles, California, on the day and year first above written.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

JOSEPH SHULDINER
Executive Director

TELACU

DEVELOPER (name typed or
printed)

(Signature/s & title/s):

By WARREN V. O'BRIEN
Superintendent and
General Manager
Department of Building
and Safety
as Attorney-in-Fact
for the HOUSING AUTHORITY
OF THE CITY OF LOS ANGELES

Warren V. O'Brien

By *Robert D. Quinn*

DATED: 12-10-91

Executed pursuant to the
Special Power of Attorney
granted by the Housing
Authority of the City of
Los Angeles

DEVELOPER(S) SIGNATURE(S) MUST BE NOTARIZED

EXHIBIT A

The land referred to in this Agreement is described as follows:

LOT 13, BLOCK B, TRACT 'PARK TRACT'
AS RECORDED IN LOS ANGELES COUNTY
M R C - 434 / 135