



Authorization to Enter into a Disposition and Development Agreement and Loan Agreement for the Development of 5571 Orange Avenue

September 20, 2023

Background Information

October 10, 2022

The LBCIC Released a Request for Proposals for the Purchase and Development of 5571 Orange Ave, the City's former North Library.

January 18, 2023

The LBCIC Authorized an Agreement to Negotiate Exclusively with Habitat for Humanity of Greater Los Angeles for the Disposition and Development of the Site.

August 16, 2023

The Agreement to Negotiate was amended to extend the term through November 15, 2023.

Proposed Development

Construction of Eight Attached Two-Story Townhomes to be Sold to Low-Income First-Time Homebuyers

Project Details

- Four units will have 3 bedrooms and 2 ½ bathrooms
- Four units will have 4 bedrooms and 3 bathrooms
- All units approximately 1,350 sq ft
- Private front and back yards
- Detached 2-car garages
- Solar panels and low-water landscaping



Rendering as seen from Orange Ave facing West

Eligible Homebuyers

Eligible Homebuyers Must Satisfy the Following Conditions

- Household income does not exceed 80 percent of Area Median Income (AMI)
- Cannot have owned a home within the previous three years
- Must occupy the unit as their primary residence
- Agree to restrict the sale of the unit to an eligible purchaser at an affordable resale price
- Must have sufficient credit worthiness to qualify for a first lien mortgage for the affordable housing cost

Structure of LBCIC Loan

Total Project Development Costs Estimated at \$4,455,813 Including LBCIC Land Cost of \$717,000

- Loan for the land cost of \$717,000 would be secured by a Promissory Note with Habitat LA and Deed of Trust with no interest or principal payments during construction.
- Upon the sale of each home, the loan will be converted into second mortgage loans with each homebuyer equal to \$89,625 per home (1/8 of land cost).
- The eight second mortgage loans will be structured as a zero-interest loan with a 45-year term.

Recommended LBCIC Action

Authorization to Enter into a Disposition, Development, and Loan Agreement with Habitat for Humanity of Greater Los Angeles for the development of 5571 Orange Avenue.



Thank you

Kjell Stava
Real Estate Project Coordinator