



City of Carson Report to Mayor and City Council

December 20, 2011
New Business Consent

SUBJECT: CONSIDER AN UPDATE ON THE STATUS OF THE IMPLEMENTATION OF THE NEIGHBORHOOD STABILIZATION PROGRAM

Submitted by Clifford W. Graves
Economic Development General Manager

Approved by David C. Biggs
City Manager

I. SUMMARY

This report is an update on the city's Neighborhood Stabilization Program (NSP). Staff recommends that the identified property within the targeted area be approved for acquisition for the investment of the NSP funds.

The requested actions relate to the city of Carson's responsibilities in administering a grant award through the California Department of Housing and Community Development's (HCD) Neighborhood Stabilization Program. The cities of Carson and Lynwood use the NSP funds to acquire, rehabilitate, and resell foreclosed and abandoned homes in the designated targeted areas.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the following property as an acquisition activity:
 - a. 5 Stage Coach Lane, Carson, California 90745
2. AUTHORIZE the Mayor to execute and finalize the purchase agreement for the acquisition of the identified property as it relates to the Neighborhood Stabilization Program, following approval as to form by the City Attorney.
3. APPROVE the sub-agreement with South Los Angeles Development Group, Inc. for residential rehabilitation services at 2601 East Tyler Street, Carson, California 90810 as a part of the Neighborhood Stabilization Program Implementation activities.
4. AUTHORIZE the Mayor to execute and finalize the residential rehabilitation service agreement for the improvement of the identified property as it relates to the Neighborhood Stabilization Program, following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

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IV.

BACKGROUND

A. NSP

On June 16, 2009, the City Council adopted Resolution No. 09-059 (Exhibit No. 1), which authorized staff to submit a joint application from the city of Carson and the city of Lynwood to HCD for the receipt of NSP funds. Since that time, staff has remained in communication with HCD regarding the status of the funding and benchmarks. The city of Carson, as the lead agency, then entered into a standard agreement with HCD. At the City Council meeting on November 4, 2009, the City Council approved the standard agreement which provided the terms and special conditions governing the award and the direct use, obligation, and expenditure of NSP funds (Exhibit No. 2). Based on the permissible uses of NSP funds, the city of Carson and the city of Lynwood opted to implement the acquisition, rehabilitation, and resale component of the program to address the abandoned and foreclosed homes within the respective jurisdictions.

Staff has solicited the necessary professional services to implement the NSP. In addition, staff identified eligible properties for acquisition, rehabilitation, and resale. The necessary accounts to facilitate funding and accounting have been established.

B. NSP Acquisition Update

The initial step in the NSP process is identifying properties to purchase which will have a stabilizing effect on its community (Exhibit No. 4). To this end, staff has acquired one property and identified another property for acquisition. The property is located within Carson's NSP Target Areas and is located at:

5 Stage Coach Lane, Carson, California 90745 (Scottsdale)

At the City Council meeting on November 15, 2011, the City Council ratified the residential rehabilitation services contract extensions to facilitate the implementation of the NSP (Exhibit No. 3). To this end, the NSP has identified the South Los Angeles Development Group, Inc. to provide the residential rehabilitation services at 2601 East Tyler Street, Carson, California 90810 as part of the implementation of the NSP. Attached for the City Council's consideration is a copy of the sub-agreement and Scope of Work for this property (Exhibit No. 5).

C. NSP Resale Update

One component of the NSP is the reselling of the homes that have been acquired and rehabilitated. The NSP has purchased a total of eleven homes and sold a total of seven homes in both the city of Carson and city of Lynwood (Exhibit No. 6).

The NSP recently sold five properties at the following locations:

1. 200 West Clarion Drive, Carson, California 90745
2. 21728 Grace Street, Carson, California 90745
3. 11 Kingswood Lane, Carson, California 90745
4. 12 Quail Row Lane, Carson, California 90745
5. 11400 Elm Street, Lynwood, California 90262

The program income received through the sale of the aforementioned properties is to be used to purchase additional NSP properties. The NSP anticipates two to three additional properties can be purchased with the program income. The NSP currently owns the following four properties:

1. 22031 South Main Street, Carson, California 90745 (Escrow)
2. 3238 Euclid Avenue, Lynwood, California 90262 (Escrow)
3. 2601 East Tyler Street, Carson, California 90810 (Purchased)
4. 4020 Virginia Avenue, Lynwood, California 90262 (Escrow)

Staff is actively marketing the available property to prospective homebuyers. Staff has created a webpage, distributed flyers to the city of Carson and city of Lynwood community-based organizations, and continues to show the properties to agents and qualified homebuyers. Moreover, in this resale phase of the NSP, staff will host open houses for agents, lenders, and prospective homebuyers.

D. NSP Homebuyer Workshops

On Saturday, November 12, 2011, staff held a NSP Homebuyer Workshop in the Carson Career Center. During the workshop, attendees were given information about the process that must be followed in order to purchase one of the NSP properties. In addition, staff provided applications, property information, lender information and technical assistance. In follow up to the event, staff received a number of calls in response to the event, the feedback has been positive. Staff will conduct monthly homebuyer workshops to maintain a pool of qualified homebuyers. The NSP homebuyer workshop was held on Wednesday, December 7, 2011 in the Carson Career Center.

V. FISCAL IMPACT

No impact to General Fund. The city received an award of \$1,329,065.00 in NSP funds for the purpose of administering the acquisition, rehabilitation, and resale program.

VI. EXHIBITS

1. Minutes, June 16, 2009, Item No. 18. (pgs. 5-8)
2. Minutes, November 4, 2009, Item No.17. (pgs. 9-10)
3. Minutes, November 15, 2011, Item No. 15. (pg. 11)
4. Map NSP Activities. (pg. 12)
5. Sub-Agreement, 2601 East Tyler Street. (pgs. 13-28)
6. NSP Property Roster. (pg. 29)

Prepared by: Cecil Flournoy, Redevelopment Project Manager

TO:Rev091911

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date _____ Action _____



**MINUTES
CARSON CITY COUNCIL
REGULAR MEETING**

JUNE 16, 2009

ITEM NO. (18) PUBLIC HEARING ON THE PROPOSED SUBMISSION OF AN APPLICATION TO THE STATE OF CALIFORNIA FOR FUNDING UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP) (ECONOMIC DEVELOPMENT)

Public Hearing

Mayor Dear declared the Public Hearing open regarding the **PROPOSED SUBMISSION OF AN APPLICATION TO THE STATE OF CALIFORNIA FOR FUNDING UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**.

City Clerk's Report

City Clerk Kawagoe reported that notice of the Public Hearing had been given pursuant to applicable law, including but not limited to the timely publication in English and Spanish and copy of proofs received by the City Clerk; notice to the applicants by U.S. mail to the City of Lynwood, 11330 Bullis Road, Lynwood, California 90262 and City of Carson; and postings as required by law; and other mailings as requested by individuals and organizations. The affidavits attesting to mailing and publishing such notice were on file in the City Clerk's Office. No written communications were received.

Mayor Dear directed that all affidavits of notice be made part of the record.

Staff Report

Economic Development General Manager Graves summarized the staff report and recommendation. He reported that, if approved, the resolution would be transmitted to the State tomorrow.

City Attorney Wynder reported that the firm of Aleshire & Wynder also serves as City Attorney for the City of Lynwood. Furthermore, that disclosed in their review of the form documents, was that they did not identify anything viewed as a potential conflict for the cities of Carson and Lynwood.

Economic Development General Manager Graves reported that the City of Gardena decided not to accept the funds at all.

EXHIBIT NO. 1



Administration of Oath

Mayor Dear requested that all persons wishing to testify to stand and take the Oath, which was administered by City Clerk Kawagoe.

Public Testimony

Latrice Carter, 19018 Belshaw Avenue, Carson, California 90746, discussed her concern that this would be more of an issue than a benefit for Carson. She believed that there were other remedies and that the City should not add more problems that can be handled at this time.

Maria Guadalupe Manuela Reyes Adame, 8 Cactus Lane, Carson, California 90745, urged that the City Council approve the staff recommendation and invest in Scottsdale.

Oudie T. Wall, Jr., 8 Cactus Lane, Carson, California 90745, referred to previous comments relative to figures and money and clarified that this issue dealt with people³ and that this issue was about morals and values.

Dr. Rita Boggs, 21328 Island, Carson, California 90745, stated that she was neither in support of or against this issue and discussed the following concerns: 1) understood that there was a moratorium on foreclosures in California; 2) to not fix up homes and sell to an investor; 3) although she had no objection to using this in Scottsdale, it may make people think that the City will fix up the homes and may discourage anyone from fixing up the house.

Louis Cogut, 17701 S. Avalon Boulevard, No. 50, Carson, California 90746, echoed the previous speakers and the concerns expressed by Dr. Boggs and stated that he was neither in support of or against this issue and discussed the following concerns: 1) whether the targeted areas were just within Lynwood and Carson; 2) with respect to the cities of Lynwood and Carson, who would watch from the other side; and 3) the number of homes under consideration.

There being no further testimony to be provided, Mayor Dear declared the Public Hearing closed. He requested staff to respond to the issues raised. Whereupon, staff discussed the following issues:

- That HUD had set up standards of transparency and accountability;
- Carson was handling the administrative aspects;
- Funds would stay in Lynwood and in Carson;
- There was not a moratorium in California.
- There was more than an adequate supply of bank-owned properties that might benefit.
- That the amount of funds relative to the opportunities was relatively small; a maximum of 12-14 houses would be helped.
- Staff would return with more specific target areas.

(Council Member Gipson exited the meeting at 9:32 P.M. and reentered the meeting at 9:33 P.M.)



City Manager Groomes referred to the concern expressed that the program may become a disincentive for people and clarified the following: 1) staff intended to rehab and sell; 2) the disincentive was that properties stay foreclosed; 3) in the long-term, property tax would benefit; and 4) it would enhance nearby properties.

Mayor Dear stated that, if approved, tonight's agenda item could be used as tool to help Scottsdale. He complimented Council Member Santarina, who serves with him on the Carson Foreclosure Subcommittee, and has been working with agencies and entities involved in the foreclosure issue. He stated that a report would be brought back to the City Council.

RECOMMENDATION for the City Council:

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. APPROVE the NSP Joint Cooperation Agreement with the city of Lynwood.
3. WAIVE further reading and ADOPT Resolution No. 09-059, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING AND APPROVING THE SUBMISSION OF AN APPLICATION FOR FUNDING FROM THE STATE OF CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM (NSP), AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO."
4. AUTHORIZE the City Manager to sign the grant agreement, and any subsequent amendments thereto, with the State of California for the purposes of this grant.

ACTION: It was moved to approved recommendation Nos. 2, 3, and 4 on motion of Dear and seconded by Gipson.

Mayor Dear amended his motion to include the deletion of the signature line for the City Manager and to add the signature line for the Mayor, in order to stay consistent with the signature policy, which was accepted by Gipson.

Upon inquiry, Economic Development General Manager Graves reported on the following issues:

- That SB 1137 defined a protracted procedure for going into the foreclosure process; places a higher onus on lenders in terms of the procedure they follow; and would slows them down. He added that a more thorough analysis would be provided to the City Council.
- That during the brief period of ownership by the City, the loss of 12 months would be more than offset with higher property tax assessment.

Upon inquiry, City Treasurer Avilla expressed her support for the City Council to approve the staff recommendation.

Economic Development General Manager Graves further discussed the following issues:

- The restriction on the sale of rehab property.



- That the majority of the neighborhoods that qualify from an income standpoint were located in south Carson; there may be some flexibility for the north Carson area; clarified that the City would not be able to take care of every foreclosure and would not try.
- That the City could inspect and refuse property.
- That the screening and selection process would come back to the City Council; the first target would be the homes owned by Fannie Mae.

The amended motion was unanimously carried by the following vote:

Ayes: Mayor Dear, Mayor Pro Tem Davis-Holmes, Council Member Santarina, Council Member Gipson, and Council Member Ruiz-Raber
Noes: None
Abstain: None
Absent: None

(Mayor Pro Tem Davis-Holmes exited the meeting at 9:52 P.M.)

Mayor Dear directed that the Redevelopment Agency Sub-Committee have the issue on its agenda to look at whether Scottsdale would be an appropriate use of this tool, with no objections heard.





**MINUTES
CARSON CITY COUNCIL
ADJOURNED REGULAR MEETING**

NOVEMBER 4, 2009

ITEM NO. (17) PUBLIC HEARING TO CONSIDER RESOLUTION NO. 09-121 REGARDING THE PROPOSED NEIGHBORHOOD STABILIZATION PROGRAM (NSP) INCOME REUSE PLAN; APPROVING THE PROPOSED NSP PROGRAM INCOME REUSE PLAN; AND NSP STANDARD AGREEMENT WITH THE STATE OF CALIFORNIA (ECONOMIC DEVELOPMENT)

This item was heard after Item No. 13 at 12:02 A.M., on November 5, 2009.

Public Hearing

Mayor Dear declared the Public Hearing open regarding **TO CONSIDER RESOLUTION NO. 09-121 REGARDING THE PROPOSED NEIGHBORHOOD STABILIZATION PROGRAM (NSP) INCOME REUSE PLAN; APPROVING THE PROPOSED NSP PROGRAM INCOME REUSE PLAN; AND NSP STANDARD AGREEMENT WITH THE STATE OF CALIFORNIA.**

City Clerk's Report

City Clerk Kawagoe reported that notice of the Public Hearing had been given pursuant to applicable law, including but not limited to the timely publications, and such copies of proofs received by the City Clerk; postings as required by law and other mailings as requested by individuals and organizations. The affidavits attesting to mailing and publishing such notice are on file in the City Clerk's Office. No written communications were received.

Mayor Dear directed that all affidavits of notice be made part of the record.

Staff Report

City Manager Groomes and Housing and Neighborhood Development Manager Adams summarized the staff report and recommendation.

Administration of Oath

Mayor Dear requested that all persons wishing to testify to stand and take the Oath.

Public Testimony

There being no testimony to be provided, Mayor Dear declared the Public Hearing closed.



RECOMMENDATION for the City Council:

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. WAIVE further reading and ADOPT Resolution No. 09-121, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING AND APPROVING THE PROGRAM INCOME REUSE PLAN FOR THE STATE OF CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM AND ANY AMENDMENTS THERETO."
3. APPROVE the Neighborhood Stabilization Program (NSP) Program Guidelines and the NSP Rehabilitation Standards.
4. AUTHORIZE the Mayor to execute the NSP Standard Agreement #09-NSP1-6107 between the city of Carson and the California Department of Housing and Community Development.

ACTION: WITH FURTHER READING WAIVED, it was moved to PASS, APPROVE, and ADOPT Resolution No. 09-121, as read by title only, and approved staff recommendation nos. 3 and 4 on motion of Santarina, seconded by Dear and unanimously carried by the following vote:

Ayes: Mayor Dear, Mayor Pro Tem Davis-Holmes, Council Member Santarina, Council Member Gipson, and Council Member Ruiz-Raber
Noes: None
Abstain: None
Absent: None



ITEM NO. (15) CONSIDER AN UPDATE OF THE EXTENDED CONSULTING SERVICES CONTRACTS AS A PART OF THE IMPLEMENTATION OF THE NEIGHBORHOOD STABILIZATION PROGRAM (ECONOMIC DEVELOPMENT)

RECOMMENDATION for the City Council:

TAKE the following actions:

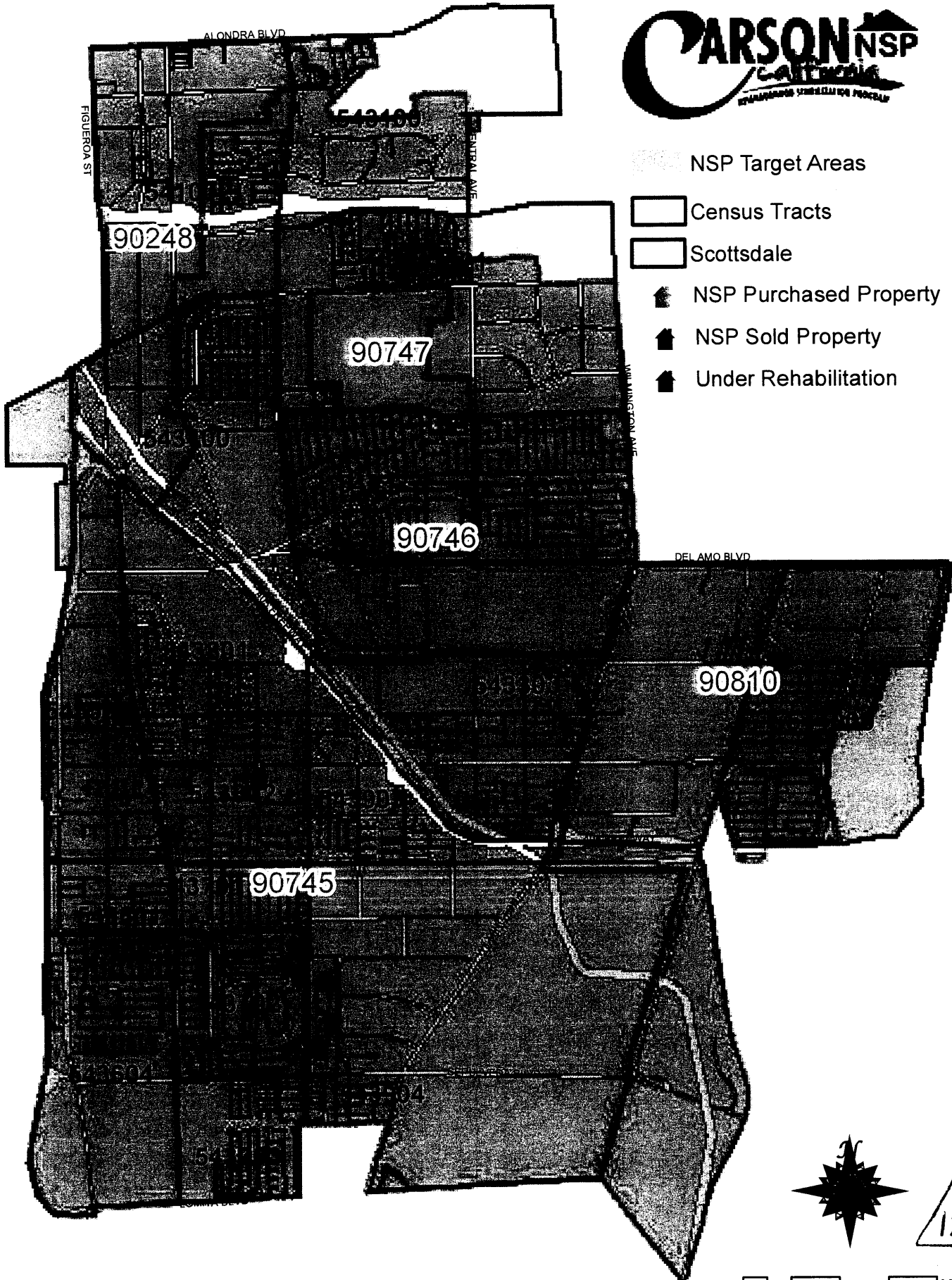
1. RATIFY the one-year extension to the residential rehabilitation contracts with the following contractors:
 - a. SJ Contractor, Inc.
 - b. South Los Angeles Development Group, Inc.

2. RECEIVE and FILE

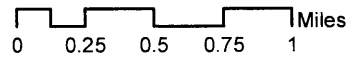
ACTION: Item No. 15 was approved on the New Business Consent Calendar on motion of Dear, seconded by Santarina and unanimously carried by the following vote:

Ayes: Mayor/Chairman Dear, Mayor Pro Tem/Vice Chairman Ruiz-Raber, Council/Agency Member Davis-Holmes, Council/Agency Member Gipson, and Council/Agency Member Santarina
Noes: None
Abstain: None
Absent: None





- NSP Target Areas
- Census Tracts
- Scottsdale
- NSP Purchased Property
- NSP Sold Property
- Under Rehabilitation



**SUB-AGREEMENT TO MASTER AFFORDABLE HOUSING
REHABILITATION AGREEMENT**

PROPERTY ADDRESS: 2601 East Tyler Street Carson, California 90810

This SUB-AGREEMENT TO THE MASTER REHABILITATION SERVICES AGREEMENT (“Sub-Agreement”) is executed as of December __, 2011, by and between SOUTH LA DEVELOPMENT GROUP, INC., a California Corporation (“Participant”), and the CITY OF CARSON AND CITY OF LYNWOOD NEIGHBORHOOD STABILIZATION PROGRAM, a public body, corporate and politic (“NSP”), the same parties to that certain Master Rehabilitation Services Agreement dated June 22, 2010 (“Master Agreement”).

1. Master Agreement

All recitals, terms, and provisions of the Master Agreement are incorporated into and made a part of this Sub-Agreement by this reference as if set forth in full. The capitalized terms used in this Sub-Agreement that are not defined herein shall have the same meaning assigned to them in the Master Agreement. Where this Sub-Agreement and the Master Agreement conflict, the terms and provisions of the Master Agreement shall control unless expressly stated to the contrary.

2. Purpose of Sub-Agreement

The purpose of this Sub-Agreement is to specify information and terms specific to each Property to be rehabilitated by Participant pursuant to the Master Agreement and to allow NSP and Participant to track the costs and rehabilitation of each Property individually.

3. Property

The Property is located at 2601 East Tyler Street Carson, California, and is more particularly described in Exhibit “1” Legal Description, attached hereto and incorporated by this reference.

4. Cost of Rehabilitation

All costs, whether listed herein or otherwise, require written approval by NSP. All costs shall not exceed the applicable estimated portions as described in the Scope of Work. Any modification to the Cost of Rehabilitation shall require written approval by NSP prior to the commencement of the work related to that cost. Payments of said costs may take the form of cash disbursements, reimbursements, or other form as necessary to carry out the Project.

5. Time is of the Essence.

Time is of the essence in the performance of this Sub-Agreement, and Participant shall timely complete the work in accordance with the Schedule of Performance so that

the appropriate deadlines are met. Participant understands that failure to perform any work in a timely manner may delay other aspects of the work, causing damages to the NSP.

6. Scope of Work.

Participant agrees to perform all of the work detailed in the Scope of Work, attached hereto as Exhibit "2" and incorporated herein by this reference. Participant represents and warrants that the Scope of Work provides an accurate breakdown of the costs associated with each level and type of service. Participant further represents and warrants that the Scope of Work and actual work done in accordance therewith are in accordance with the NSP Rehabilitation Standards, Housing Quality Standards (HQS) established by HUD (24 CFR 982.401), Participant's Submitted Proposal in response to NSP's Request for Proposal for Residential Rehabilitation Services, and all local, state, and federal regulations.

7. Schedule of Performance.

Participant agrees to complete the Scope of Work in accordance with the Schedule of Performance attached hereto as Exhibit "3" and incorporated herein by this reference.

[END – SIGNATURES ON NEXT PAGE]



IN WITNESS WHEREOF, the parties hereto have executed this Sub-Agreement in accordance with the above stated provisions as of the day and year first written below.

“NSP”

CITY OF CARSON & CITY OF LYNWOOD NEIGHBORHOOD STABILIZATION PROGRAM, a public body, corporate and politic

DATED: _____, 2011

BY: _____
Mayor Jim Dear

ATTEST:

City Clerk

Approved to as to form:

ALESHIRE & WYNDER LLP

City Attorney

“PARTICIPANT”

SOUTH LA DEVELOPMENT GROUP, INC., a California Corporation

Date: _____, 2011

By: _____
Delilah Antolini, President

Attachments:

- Exhibit “1” Legal Description of Property
- Exhibit “2” Scope of Work
- Exhibit “3” Schedule of Performance



EXHIBIT "1" to SUB-AGREEMENT
LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

EXHIBIT "ONE"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 1103 and 1104 of Tract 7644, in the City of Carson, County of Los Angeles, State of California, as per map recorded in Book 84, Pages 47 and 48, of Maps, in the Office of the County recorder of said County.

Assessor's Parcel No: 7308-002-021



7308

2 SHEET

P.A. 421-1, 24 & 25

TRA 1060 13291

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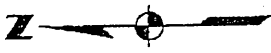
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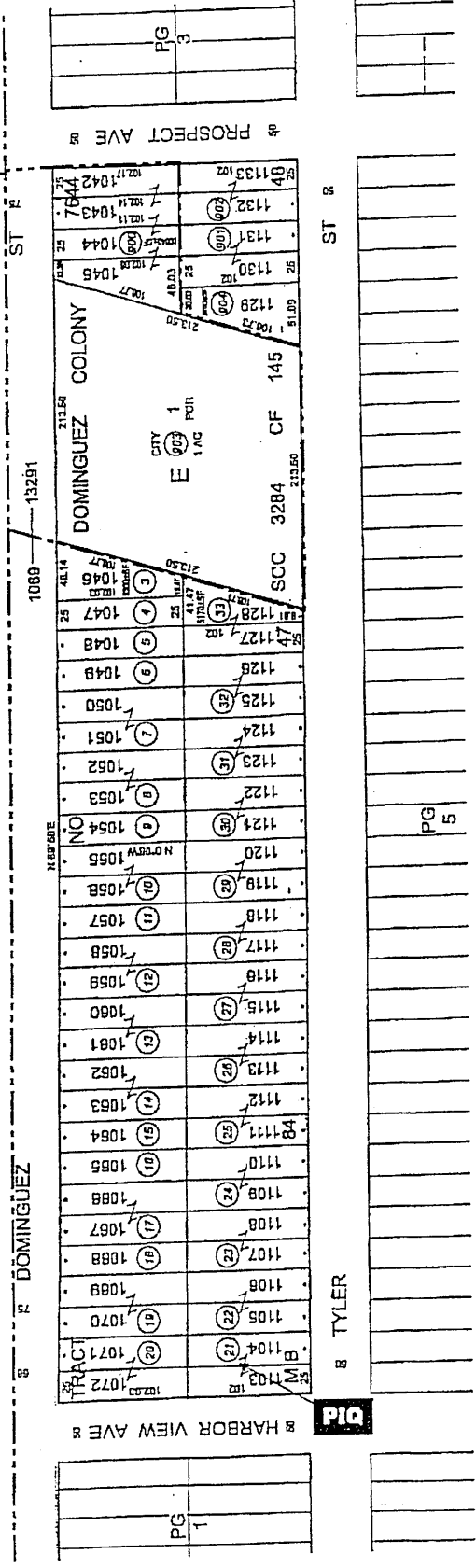
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2012

BK 7306



MAPTING AND GIS SERVICES SCALE 1" = 50'



ALL THE SERIES PARCELS ON THIS PAGE ARE ALREADY IN THE CALIFORNIA DEVELOPMENT AGENCY, UNLESS OTHERWISE NOTED

EXHIBIT "2" to SUB-AGREEMENT
SCOPE OF WORK



SOUTH LA DEVELOPMENT GROUP, INC.

1626 Centinela Ave., Suite 20
Inglewood, CA 90302
310.417.3979F 310-469-0167
southladevelop@aol.com

Proposal

Date 10/19/2011

To: City of Carson

Attention: Cecil Flournoy, Redevelopment Project Manager

RE: PROJECT TITLE: 2601 East Tyler Ave., Carson, CA

NOTE:

A permit must be obtained for any items requiring a permit by any and all jurisdictions. Each line item below must be filled in for this bid to be valid. Line items are not to be grouped together. Each line item is subject to deletion as necessary to fit in the project budget. Any questions about the individual line item should be directed to the homeowner and should be addressed before bid submission. By submitting this bid contractor certifies an understanding of each specification line item as intended by spec writer.

Suggestions for more efficient use of funds with equal satisfactory results are welcome but should be submitted on a separate sheet complete with price for completion. Suggestions submitted by the contractor do not relieve the contractor from the responsibility of filling out this entire scope of work completely.

All materials used on this project will be of moderate expense. Substandard materials are not acceptable and materials that meet only the minimum standards may be subject to replacement or cost adjustment. All installed materials that are visible shall have homeowner approval before installation. It is strongly recommended that contractor have homeowner sign brochure next to sample, or sign a retail or manufacture proposal for all homeowner approvals.



Proposal



SOUTH LA DEVELOPMENT GROUP, INC.
1626 Centinela Ave., Suite 20
Inglewood, CA 90302
310.417.3979F 310-469-0167
southladevelop@aol.com

	Description	Units	Cost
1	Permits		1,200
2	Asbestos , lead abatement and clearance		3,800
3	Roof: Remove portions of roof where rafters and sheathing are damaged due to termite and dry rot. Replace with new rafters and sheathing. Repair roof to match existing. Replace all damaged clay.		2,200
4	WINDOWS Remove and dispose of 5 windows found in: 3 windows in living room and 2 in bedroom#1. Provide and install new retrofit, dual pane, .36 U-value min., low E, Energy Star windows. Repair any damage to interior or exterior walls and texture to match the existing surfaces. Ensure windows meet egress where required and the glass is tempered where required. All windows to be weather-stripped open and close freely and latch securely. Installation to meet manufacture specification, and current code requirements.		1,750





Proposal

5	<p>STUCCO COLOR COAT</p> <p>Remove all removable exterior attachments, such as downspouts, shutters, building numbers, cable runs etc., to allow for unobstructed sandblasting and for a complete coverage with new stucco behind removable surfaces. Protect all openings to building from water penetration into structure(s). Wet sandblast all stucco surfaces to remove all loose and crumbling stucco. Remove all stucco from excessively damaged areas and install new lathe where necessary, and apply new scratch, brown and texture coat. Sandblast to a depth that will ensure all crumbling stucco surfaces will be removed. Apply brown coat if necessary to achieve desired thickness and a consistently even surface over all areas. When properly cured, apply a 3/8" stucco color coat over entire stucco area. Reinstall all removed attachments after painting of building is complete Contractor to ensure a full and even coverage over all surfaces</p>		3,800
6	Replace foundation access doors & attic vents		250
7	Interior configuration: Remove door leading to bathroom from kitchen area. Provide laundry hook up in the same area		1,200
8	Replace all damaged frames around windows and doors. Interior and exterior.		1,000
9	<p>INTERIOR PAINT</p> <p>Patch and prep all walls and ceilings found throughout interior of house. Caulk all gaps, patch all holes and replace any large areas of damage with new drywall. Retexture any patched areas to match existing surrounding walls or ceilings. Provide trim or finish for all areas where trim is missing and match trim or consult with owner for an alternative. Paint all interior walls, doors (new doors to be primed first), trim, etc, and ceilings with washable NON VOC latex semi-gloss enamel paint (Dunn-Edwards or equal). Ensure an even coverage</p>		2,700



Proposal

10	TILE FLOOR Remove and dispose of the existing tile floor in the kitchen and bathroom. Float floors as necessary to ensure an even and flat surface when complete. Provide and install new tile and grout over entire floor surface. Ensure all courses are even and consistent and measure floors before installation to ensure cut pieces are kept to a minimum, and to ensure any cut pieces are in a location that is the least noticeable. All materials and installation of all materials are to be installed according to manufacture specifications.		1,800
11	Repair and refinish hardwood flooring in dining ,living room & hallway		2,800
12	CARPET Remove and dispose of all existing carpet found in the bedrooms. Patch and prep floor surfaces in the bedrooms for new carpeting. Install new ½" 7 lb. padding, and carpet (min. face weight 35 oz. and P.A.R. 3.5). Carpet is not to be spliced in any rooms where splicing is not necessary and ensure any spliced areas are installed with consistent grain direction. Include metal floor strips and tack strips where required for complete installation. Owner to select carpet from the samples provided by the contractor		2,400
13	Replace interior and exterior light fixtures.		1800
14	Install GFCI outlets in kitchen and bathrooms		400



Proposal

15	<p>ELECTRICAL; REWIRE AND SERVICE UPGRADE</p> <p>Disconnect all of the existing wiring throughout dwelling. Install new romex wiring throughout the house and include new outlets and switches, and add any additional switches necessary to meet current code. All outlets within 6' of a water source are to be GFCI outlets. Patch any/all holes created in walls as a result of this line item, and match the existing surrounding surfaces as closely as possible. Provide and install new hardwired smoke detectors in all bedrooms and in all hallways leading to bedroom. Any and all materials for a complete installation of new wiring to be provided and installed by the contractor, including any upgrades to the system, grounding considerations, etc. All materials and installation of all materials to be according to all applicable current codes.</p>		4500
16	<p>Repair all damaged wood and railing at porch</p>		550
17	<p>CABINETS AND COUNTERTOPS</p> <p>Remove and dispose of the existing upper and lower cabinets and countertops, and sink and faucet found in the kitchen including the entire pantry. Clean up walls behind all the cabinets and ensure all walls (and floors if necessary) are patched and a clean working surface is provided. Provide and install new oak cabinets (Aristocraft or equal) and granite countertop and tile and or granite backsplash (extended to bottom of cabinets).</p>		4,900
18	<p>Plumbing Fixtures: Water sense labeled</p> <p>Provide and install, new water sense labeled fixtures in bathroom, shower/tub, vanity and kitchen,. (Price Pfister Avalon faucet in bathroom. Moen Adler single handle shower fixture for shower and American standard Fairbury single handle water sense faucet in kitchen.)</p>		2,000

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Proposal

19	WATER HEATER Remove and dispose of the existing water heater . Provide and install a new, gas water heater in the same location. Provide new vent system, insulate and strap. All materials and installation of all materials to be according to current code and manufacture specification	1,300
20	Remove old plumbing. Re-plumb with copper entire house	4,500
21	Install new shower at hallway bathroom	1,200
22	Install vanity/top/sink at hallway bathroom	800
23	WALL HEATER Remove and dispose of the existing wall heating unit including the vent pipes. Provide and install a new single mount 35,000 BTU wall unit in new location to meet current code requirements related to doorways. Include new thermostats and ensure proper venting. Contractor to make any adjustments to gas line, electrical, venting, or framing necessary for a complete installation. Repair any damage to surrounding wall or floor surfaces with materials and finish to match the existing surrounding surfaces. All materials and installation of all materials are to be installed according to any and all applicable current code specifications.	1,400
24	STOVE/OVEN Provide and install a new stove/oven with four burners, oven and broiler. New stove/oven to be gas fired and to have clock with timer. Install stove hood.	1,100

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Proposal

25	<p>ENTRY DOOR fiberglass sunburst</p> <p>Remove and dispose of the existing side and garage entry doors. Rework opening if necessary and provide and install a new fiberglass clad door in same location. New door to be sunburst for side entry and a fire door to garage entry and to be complete with new weather strip, hinges, knob, thumb-latch deadbolt, strike plate, and aluminum door shoe. New door to be mounted plumb, and to open and close freely and latch securely. Installation to be according to manufacture specification.</p> <p>Provide and install self-closing mechanism for garage entry door.</p>		1,200
26	<p>LANDSCAPE grass seed</p> <p>Apply round-up or equal to all lawn surfaces in front yard. After appropriate time as called for in directions of herbicide remove all dead lawn material. Rototill the entire lawn surface. Trench and install pvc pipes for watering system. Water lines to be schedule 40 for all main lines, and schedule 120 for all lateral lines. Sprinklers to be pop-up type Rainbird or equal. Water lines are to be distributed evenly and to be calculated to ensure number of heads does not exceed the available pressure to run each individual line. Ensure watering system will achieve full coverage of the entire lawn area of yard. Planters and lawn not to be on adjoining sprinkler lines. Each valve to be automatic and to be anti-backflow type. Each valve to be connected to solid-state automatic timer. Fill in all trenches and compact soil. Roll out entire surface area of lawn with a water roller and ensure a flat and even surface. Provide and install new mixed fescue seed over the entire area</p>		2,000
27	<p>Repair or replace garage door opener</p>		350

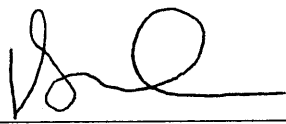
26



SOUTH LA DEVELOPMENT GROUP, INC.
1626 Centinela Ave., Suite 20
Inglewood, CA 90302

Proposal

28	Interior trim/baseboards: Provide and install 4" primed baseboards throughout. Exposed nail heads to be set and filled with color matching putty		2,200
29	Temporary utilities		800
30	Clean up and haul away all trash from site		2,500
31	Replace damaged side entry gate to backyard		1,300
32	Sub-total		59,700
33	Contractor's overhead and profit 15%		8,955
	Total		68,655

Submitted by  _____

Delilah Antolini, South LA Development Group, Inc.



EXHIBIT "3" to SUB-AGREEMENT

SCHEDULE OF PERFORMANCE

The rehabilitation project will commence within seven (7) calendar of the execution of this sub-agreement. The Participant will have thirty (30) calendar days from the commencement to date to complete the project.

**Cities of Carson & Lynwood
 Neighborhood Stabilization Program Roster
 as of November 28, 2011**

PURCHASED		STATUS	SOURCE of FUNDS
1	1 Eastridge Lane Carson, CA 90745	Sold	Grant
2	4547 Cardwell Street Lynwood, CA 90262	Sold	Grant
3	21728 Grace Street #6 Carson, CA 90745	Sold	Grant
4	200 W Clarion Drive Carson, CA 90745	Sold	Grant
5	11400 Elm Street Lynwood, CA 90262	Sold	Grant
6	11 Kingswood Lane Carson, CA 90745	Sold	Grant
7	12 Quail Row Lane Carson, CA 90745	Sold	Grant
8	4020 Virginia Avenue Lynwood, CA 90262	Escrow	Grant
9	3238 Euclid Avenue Lynwood, CA 90262	Escrow	Grant
10	22031 S. Main Street #11 Carson, CA 90745	Escrow	Program Income
11	2601 E. Tyler Street Carson, CA 90810	Owned	Program Income