

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 21, 2022

Todd C. Mooney, City Special Counsel
Kane, Ballmer & Berkman
515 S. Figueroa Street, Suite 780
Los Angeles, CA 90071

Dear Todd C. Mooney:

**RE: HCD's Review of the City of Culver's Exclusive Negotiating Agreement
for the Property Located at 9814 Washington Boulevard in the City of
Culver City**

Thank you for contacting the California Department of Housing and Community Development (HCD) regarding the property located at 9814 Washington Boulevard (Property) in the City of Culver City (City). HCD reviewed the Exclusive Negotiating Agreement (ENA) and other documentation you provided. HCD also considered the City's claim that the Property is subject to the Surplus Land Act (SLA) as it existed on December 31, 2019, because the Property qualifies for the "grandfathering exemption" under Government Code section 54234, subdivision (b)(1).

As explained below, HCD finds that the Property qualifies for the "grandfathering exemption" under Government Code section 54234, subdivision (b)(1), so long as the disposition of the Property is completed by December 31, 2022.

Analysis

According to Government Code section 54234, subdivision (b)(1), surplus land is subject to the SLA as it existed on December 31, 2019, provided the disposition of the surplus land meets the following requirements:

- (i). The local agency designated the property in a long-range property management plan pursuant to Health and Safety Code section 34191.5, either for sale or retained for future development.
- (ii). The local agency entered into an ENA or legally binding agreement to dispose of the property prior to December 31, 2020.
- (iii). The disposition of the property is completed by December 31, 2022.

Property Designated in the City of Culver City's Long Range Property Management Plan

The Culver City Successor Agency (Successor Agency) designated the Property in the Culver City Long Range Property Management Plan (LRPMP). According to the LRPMP, the intended disposition of the Property was for the Successor Agency to sell the Property to a “developer for development pursuant to 2001 DDA and 2010 Agreement.” (See page 22, Culver City Long Range Property Management Plan).

The Successor Agency and the Center Theater Group entered into a disposition and development agreement, dated May 23, 2001, for the development of the Property. Additionally, on January 31, 2012, the City and the Jazz Bakery Performance Center entered into an agreement (erroneously referred to as the 2010 Agreement in the LRPMP) for the sale and development of the Property.

On July 18, 2013, the Successor Agency submitted the LRPMP to the Department of Finance (Finance). On March 13, 2014, the Successor Agency submitted a revised LRPMP to Finance. In its letter dated, March 18, 2014, Finance informed the Successor Agency of its approval of the LRPMP.

Exclusive Negotiating Agreement

The City and the Center Theater Group of Los Angeles (Developer) entered into an exclusive negotiating agreement (ENA), dated November 17, 2020, to negotiate the disposition and development agreement of the Property. Section 4 of the ENA provides a period of 360 days for the ENA with the effective date of the agreement based on the date signed by the City. The City Manager signed the ENA on behalf of the City on December 24, 2020.

On November 23, 2021, the City and the Developer entered into the Extension of Exclusive Negotiating Agreement, signed by the City Manager on December 9, 2021, to extend the term of the ENA until December 31, 2022.

On April 18, 2022, the Developer and the REthink Development Corp., a California corporation (Assignee) entered into the Assignment and Assumption Agreement for the purpose of assigning the rights, title, interests, and related obligations to the Assignee.

On July 11, 2022, the Assignee and the Rethink Culver, LLC, a California limited liability corporation (Rethink Culver) entered into the Assignment and Assumption Agreement for the purpose of assigning the rights, title, interests, and related obligations to Rethink Culver.

Conclusion and Next Steps

Based on the documentation provided, HCD finds that, because the Successor Agency designated the Property in the LRPMP for the purpose of selling the Property, and the City executed the ENA as of December 31, 2020, the Property qualifies for the “grandfathering exemption” under Government Code section 54234, subdivision (b)(1).

Therefore, the disposition of the Property is subject to the SLA as it existed on December 31, 2019, provided the disposition of the Property to Rethink Culver is completed by December 31, 2022.

After the City has completed the disposition of the Property to Rethink Culver, it must provide HCD documentation demonstrating that the disposition was completed by December 31, 2022, for HCD's records.

If you have any questions or need additional technical assistance, please contact Public Lands at Publiclands@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Laura Nunn". The signature is written in a cursive, flowing style.

Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Development