

Urban Acres

2.2 Acre Un-Entitled Residentially-Zoned Land Assemblage / Cudahy, CA 90201



Urban Acres

Under Development Review – 50 Attached Townhome Condominium Development Concept



Urban Acres

REAL ESTATE ACQUISITION OPPORTUNITY

7801-7831 Otis Avenue
Cudahy, CA 90201

Located approximately 5.5 miles southeast of Downtown Los Angeles, the site (previously operated as a foundry/steel forming operation but now cleared of all structures with some remaining slabs) is postured within a mature residential neighborhood in the City of Cudahy (Los Angeles County's second smallest city). It represents the increasingly elusive opportunity to acquire a substantial infill land assemblage zoned for lower-density residential development at an unmistakably infill Los Angeles County location. The purpose of this brochure is to review the site's challenges and advantages with focus on a viable residential development methodology using the existing zoning with the infusion of a 50% state bonus density (which is permitted under CUP in the City of Cudahy).

With all structures raised and based on the site's existing LDR (Low Density Residential) designation, it would seem as if the site's most viable (or only) option moving forward is for residential development.

A value expectation for the site has been established to enable a residential developer/homebuilder to shoulder the cost of remediation while executing a +/- 50-unit townhome condominium development under the site's existing zoning + allowable 50% State Bonus Density (thus requiring a 15% BMR component which the city requires 15% inclusionary for all residential projects). The proposed land sale will enable Ownership to close this chapter while allowing a developer with a use more potentially "acceptable" to the community to proceed. A few additional key points regarding residential development on the site:

- The site's existing zoning and general plan designations are in alignment as LDR (Low-Density Residential). This designation allows 15 DU/Acre with a 2-story (35') height limitation.
- The existing zoning will permit a base density of 33 units. The City of Cudahy acknowledges state bonus density policy (with CUP – further explained herein) for a 50% bonus in exchange for 15% set-aside. This potential resultant would be a total of 50 units including 5 set-aside low-income units (City calculates BMR component as 15% of the base calculation as does the State of CA). Cudahy requires 15% inclusionary for all projects including a project reflecting only the base density of 33 units. Hence, utilization of the bonus density would seem logical if residential is the desired end-use.
- On 1/31/24, Ownership, with the assistance of Evanisko, formally applied to the City of Cudahy for an "Initial Development Review" of the residential development concept outlined herein with the purpose of gaining proactive commentary on the entitlement assumptions and building policy assumptions incorporated under a draft site plan provided in collaboration with Ziese Architecture.
- **Price: \$4,250,000.** Terms TBD.

Exclusive Broker: Frank Evanisko
818.985.9700
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BRE: 01383591

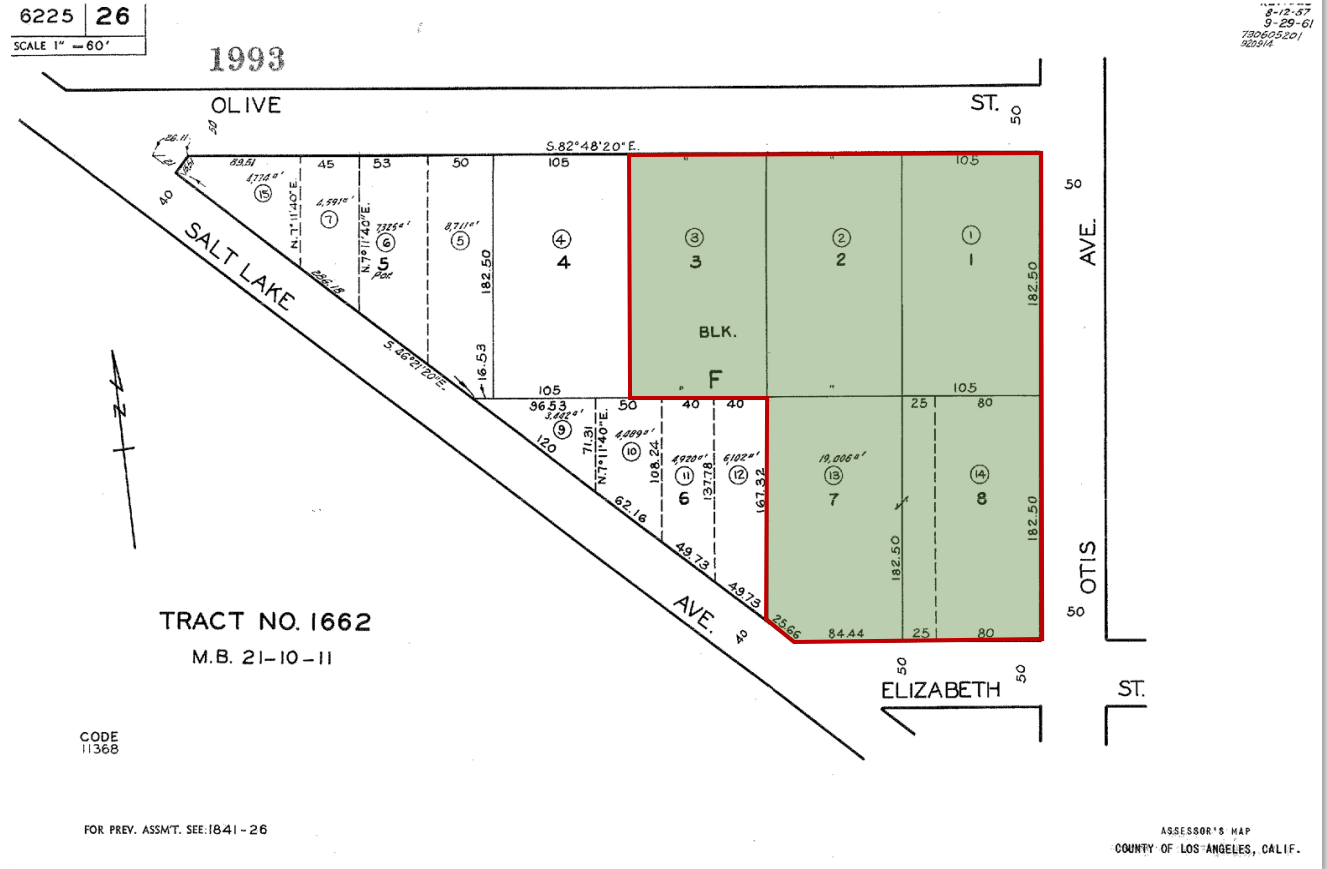
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REALTY & INVESTMENT, INC.

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7801-7831 Otis Avenue
Cudahy, CA 90201

Address	APN	Land Area	Existing Improvements	Zoning
7801 Otis Ave. Cudahy, CA 90201	6225-016-001	19,513 SF	Vacant Land	LDR
7821 Otis Ave. Cudahy, CA 90201	6225-026-013	23,410 SF	Vacant Land	LDR
7835 Otis Ave. Cudahy, CA 90201	6225-026-014	15,022 SF	Vacant Land	LDR
None	6225-026-002	18,893 SF	Vacant Land	LDR
None	6225-026-003	19,052 SF	Vacant Land	LDR
		95,890 SF		



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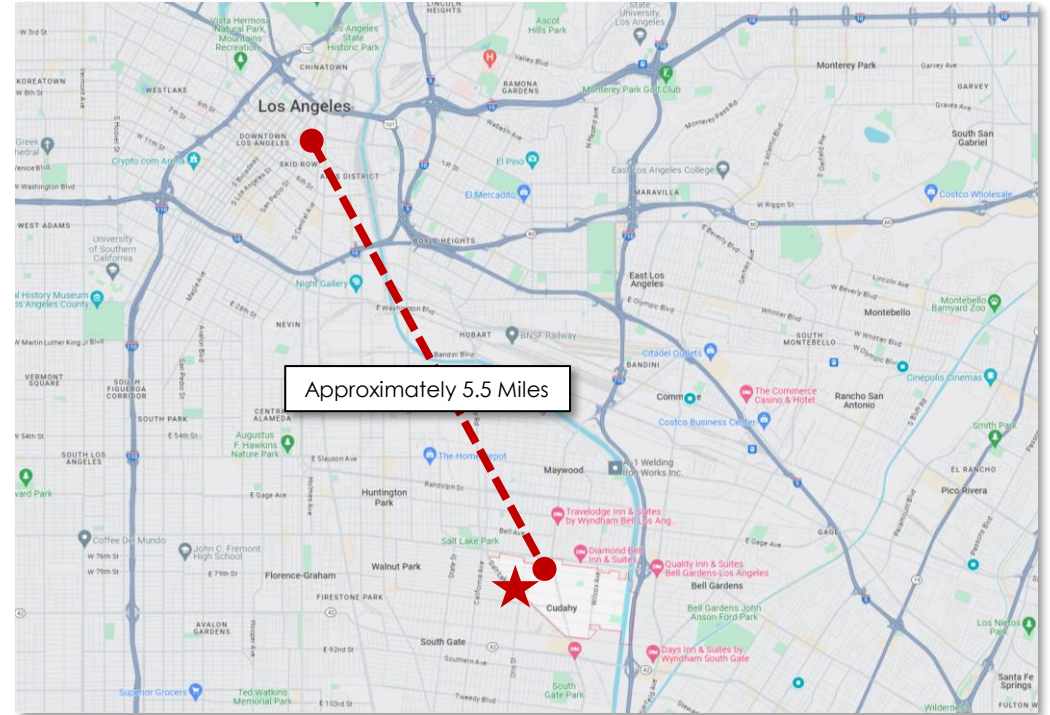
Challenges:

1. The residential project concept outlined herein is un-entitled and will require applicable processing
2. The property will require environmental remediation. A summary of cost estimates are on page 12. Scope of contamination is well defined and does not have groundwater implications but depending on Buyer's financial partners and the City's input will likely require some form of regulatory agency oversight to reach full environmental resolution/closure.



Advantages:

1. Current zoning is aligned appropriately with the potential use scenario depicted herein
2. Attractively sized, configured, and located assemblage of infill land for townhome development
3. Price expectations positioned appropriately to mitigate the associated entitlement and environmental risks



Quick City History:

Cudahy is a city located in southeastern Los Angeles County, CA. In area, Cudahy is the second smallest city in Los Angeles County after Hawaiian Gardens but with one of the highest population densities of any incorporated city in the United States. It is part of the Gateway Cities region and had a population of 23,805 as of the 2010 US Census.

Cudahy is named for its founder, meat-packing baron Michael Cudahy, who purchased the original 2,777 acres of Rancho San Antonio in 1908 to resell as 1-acre lots. These "Cudahy lots" were notable for their size—in most cases, 50 to 100 feet in width and 600 to 800 feet in depth, at least equivalent to a city block in most American towns. Such parcels, often referred to as "railroad lots", were intended to allow the new town's residents to keep a large vegetable garden, a grove of fruit trees (usually citrus), and a chicken coup or horse stable. This arrangement, popular in the towns along the lower Los Angeles and San Gabriel rivers, proved particularly attractive to the Southerners and Midwesterners who were leaving their struggling farms in droves in the 1910s and 1920s to start new lives in Southern California.

By the late 1970s, the factories closed, and the white residents of Cudahy left for jobs and housing in the San Gabriel and San Fernando Valleys. Stucco apartment complexes were built on former tracts of land. The population density increased; in 2007 the city was the second-densest in California, after Maywood.

Urban Acres

Site Due Diligence materials have been organized under the format depicted below. Please request a Dropbox link by emailing frank@evaniskorealty.com

Due Diligence Inventory

1. **Folder 01: Urban Acres – Preliminary Project Review Application [Submitted 1-31-24]**
 1. City of Cudahy Submittal Receipt
 2. Urban Acres Project – Planning Application for Major Projects
 3. Notarized Application Page
 4. Daniel Ziese Architecture – Urban Acres Site Plan Used In Project Review Application
 5. Urban Acres Rendering
 6. PC Meeting Agenda Packet_10.23.2023 – City Zoning Code Changes Page 9
2. **Folder 02: Environmental – Residential Development**
 1. Stantec Phase II July 13, 2023
 2. HMC Environmental Estimated Cost to Remediate \$1.3M - \$1.7M
 3. CalEnviro Estimated Cost to Remediate \$1M - \$1.5M
 4. Ami Adini Environmental Estimated Cost to Remediate \$1.3M - \$1.9M
3. **Folder 03: Environmental – Charter School Development**
 1. Contains all environmental reports leading to Seller's entitlement of a charter school it contains Phase 1s, 2s, UST closures, etc.
4. **Folder 04: Fidelity Prelim**
 1. Linked Prelim Dated 11-20-23
 2. Plotted Easements
5. **Folder 05: Site Drone Photos**
6. **ALTA Survey**
7. **Geotechnical Report – Charter School Development**



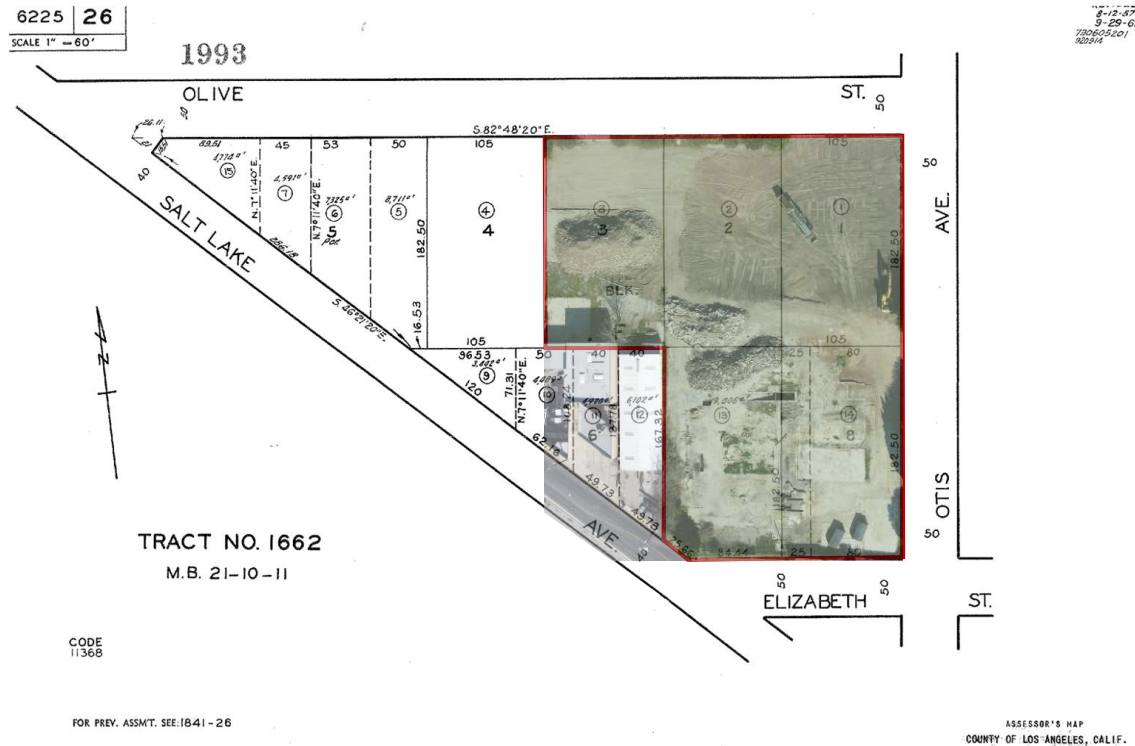
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POTENTIAL TOWNHOME CONDOMINIUM SITE PLAN CONCEPT

7801-7831 Otis Avenue
Cudahy, CA 90201

Our goal with the development of a site plan concept is to convey the site's potential yield under the current zoning with use of state bonus density. Since Cudahy requires a 15% inclusionary low-income housing component for all residential projects, it would seem prudent from our perspective to utilize 50% state bonus density for two reasons. First, it allows for the increase of unit county from 33 to 50 while also allowing for the increase in height from 2 stories to three stories. The 15% BMR component required under the state policy will satiate Cudahy's 15% inclusionary requirement and is calculated as a percentage of the base unit density which is 5 units.

To configure 50 townhomes on the site will result in a density of just under 23 to the acre. Urban townhome condominium developments have trended nearly exactly to this level of density and the resultant has been blocks of three-story semi-interlocking townhomes utilizing a mixture of tandem and side-by-side garages. The product is perhaps the most financially attainable form of new housing being built in the urban Los Angeles County market. Its attainability is reflected in the continuing interest amongst homebuilders to entitle and build this product despite economic headwinds – citing the resilience of attainable for sale product in more dense locations.



* Site plan formally submitted for Initial Development Review to the City of Cudahy on 1/31/24



EXISTING ZONING AND SITE INFORMATION

PROJECT ADDRESS: 7801-7835 OTIS AVENUE, CUDAHY, CA 90201
 OWNER: KLARE 16, LLC
 APN: 6225-026-001, 6225-026-013, 6225-026-014, 6225-026-022, 6225-026-003
 GENERAL PLAN LAND USE: LOW-DENSITY RESIDENTIAL
 ZONING DESIGNATION: LDR
 EXISTING IMPROVEMENTS: VACANT LAND
 SITE AREA: 95,890 SF (2.2 ACRES)
 BASE DENSITY: 33 UNITS (15 DU/ACRE)
 HEIGHT LIMIT PER ZONING: 35' / 2-STORY
 REQUIRED YARDS
 a. 20' FRONT
 b. 5' SIDE
 c. 10' REAR

KEYMAP



PROPOSED PROJECT ZONING INFORMATION

- 50 ATTACHED TYPE V 3-STORY RESIDENTIAL TOWNHOME CONDOMINIUMS:
- UTILIZATION OF 50% STATE BASE BONUS DENSITY
- CUP: TO UTILIZE DENSITY BONUS GREATER THAN 35%
- CUP: TO DEVELOP ATTACHED (MULTIFAMILY HOUSING) IN THE LDR ZONE (WILL BE PERMITTED WITHOUT CUP UNDER CITY'S ZONING UPDATE)
- CUP: IMPLEMENT TANDEM PARKING. ANY TANDEM SPACES PROPOSED WILL BE STANDARD DIMENSIONS AS STATED IN ZONING CODE AS A REQUIREMENT TO CONSIDER THIS CUP
- BONUS DENSITY: 15 DU/ACRE X 2.2 = 33 UNITS BASE + 50% = 49.5 = 50 TOTAL DU
- LOW INCOME UNITS: 15% OF 33 = 5 UNITS TO BE SOLD OR RENTED AT VL LEVELS. THIS SATIATES BOTH CITY INCLUSIONARY AND STATE BMR REQUIREMENT FOR 50% BONUS DENSITY.
- BONUS DENSITY FAR INCREASE: NOT REQUESTED
- BONUS DENSITY CONCESSION 1: HEIGHT LIMITATION: INCREASE HEIGHT BY ONE STORY AND A MAXIMUM OF 11' BEYOND CURRENT LDR STANDARD
- BONUS DENSITY CONCESSION 2: FRONT YARD SETBACK REDUCTION BY 20% (FROM 20' TO 16') ALONG OTIS AVE
- BONUS DENSITY CONCESSION 3: NOT DETERMINED AT THIS TIME BUT MAY BE AT THE RECOMMENDATION/DIRECTION OF CITY STAFF IF NEEDED TO MEET STANDARDS

BONUS DENSITY MODIFICATION OF OPEN SPACE STANDARDS:

- OPEN SPACE: MODIFICATION OF STANDARDS TO ALIGN OPEN SPACE BEING PROPOSED TO THOSE STANDARDS IN LINE WITH CITY'S PROPOSED ADJUSTMENT OF THIS STANDARD TO 100 SF OR PRIVATE OPEN SPACE WITH CONSIDERATION OF DIMENSIONAL CONSTRAINTS ON ALL OPEN SPACE MORE APPLICABLE TO PROJECTS OF THIS NATURE AS DEMONSTRATED ON PROPOSED SITE PLAN CONCEPT
- THE PROPOSED SITE PLAN RESULTS IN 4,650 SF OF PVT SPACE IN THE FORM OF BALCONIES OF A TYPICAL DIMENSION OF 5'-2" X 16'-0"
- THE PROPOSED SITE PLAN RESULTS IN 11,719 SF OF COMMON OPEN SPACE IN THE FORM OF PROJECT YARD AREAS (NOT COUNTING FRONT YARD SETBACK) AND LANDSCAPED AREAS THROUGHOUT THE PROJECT NOTATED ACCORDINGLY
- PARKING REQUIRED: 2 SPACES PER UNIT
- PARKING PROVIDED: THE UTILIZATION OF DENSITY BONUS CAPS PARKING REQUIREMENT AT 2 SPACES PER UNIT INCLUSIVE OF GUEST PARKING ALTHOUGH THE PROPOSED SITE PLAN PROPOSES A RATIO OF APPROXIMATELY 0.25 GUEST SPACES PER UNIT IN ADDITION TO 2 PRIVATE GARAGE SPACES PER UNIT.

- This site plan was submitted on 1/31/24 to the City of Cudahy with application for Pre-Development Review.
- The review will provide official commentary on the site plan including the proposed entitlement methodology of deriving the proposed scope and yield being depicted.
- Buyer may modify to taste accordingly as part of a formal full entitlement submittal.



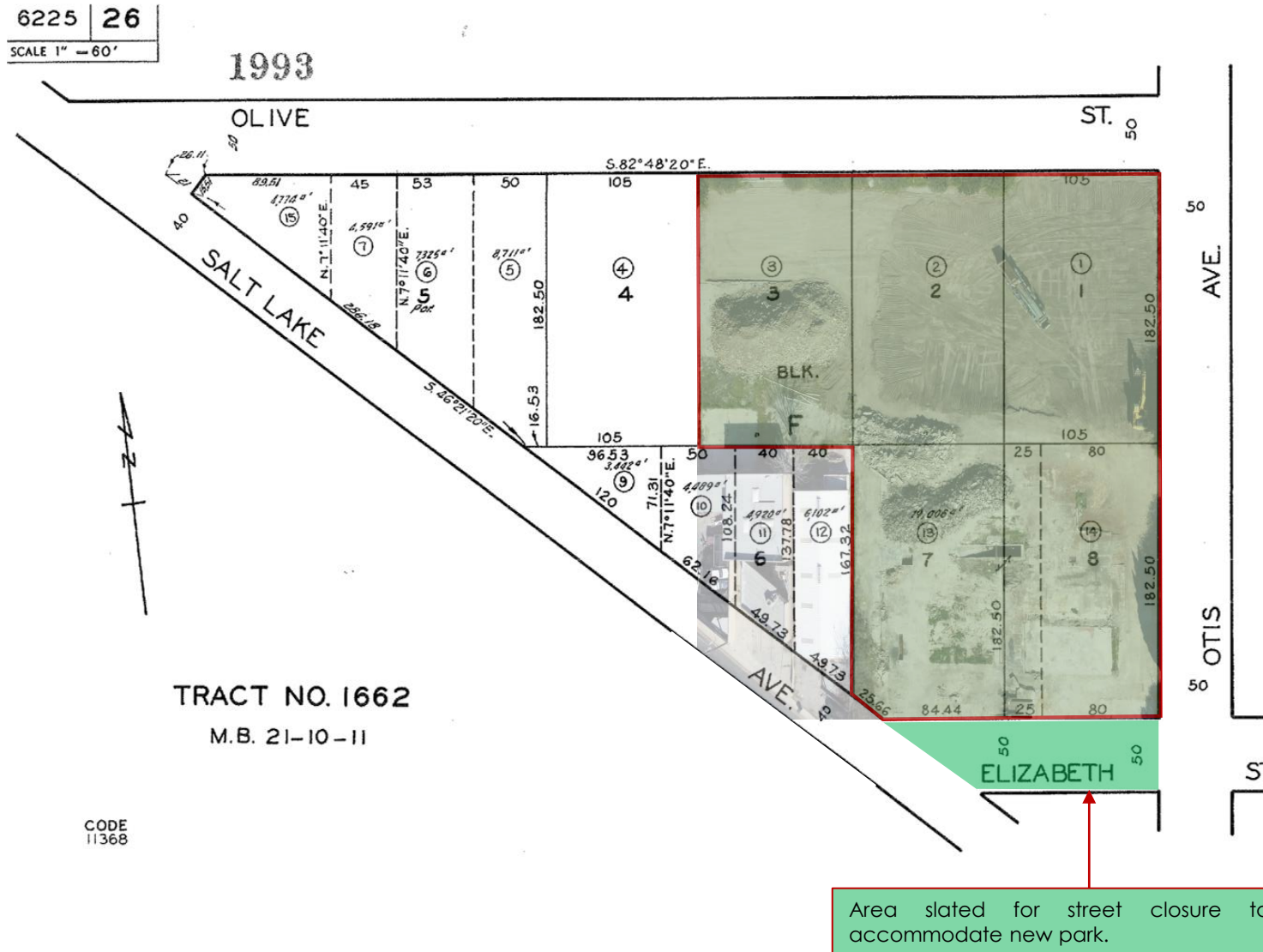
CONCEPTUAL PLAN

NOTES:
 1. SITE PLAN IS FOR CONCEPTUAL PURPOSES ONLY
 2. SITE PLAN MUST BE REVIEWED BY PLANNING, BUILDING, AND FIRE DEPARTMENTS FOR CODE COMPLIANCE.
 3. BUILDING SETBACKS ARE MEASURED FROM PROPERTY LINES TO BUILDING FOUNDATION LINES.

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REAL ESTATE ACQUISITION OPPORTUNITY

7801-7831 Otis Avenue
Cudahy, CA 90201



CIRCULATION ELEMENT

otis avenue pocket park

A placemaking plaza or pocket park opportunity exists at the corner of Otis Avenue and Elizabeth Street. By closing Elizabeth Street to vehicles between Salt Lake Avenue and Otis Avenue, Cudahy can create a car-free pedestrian-oriented space for adjacent neighborhood residents. Elizabeth Street can be blocked with moveable bollards or more permanent structures. Street furniture, landscaping, and shade structures can be installed to create a more appealing space that is accessible and inviting to diverse user groups.

The Circulation Element of the City of Cudahy General Plan calls for the eventual street closure of Elizabeth St. along the southerly border of the subject site to create the **Otis Avenue Pocket Park**. The site plan concept outlined herein avoids ingress/egress along the south property line to coincide with this future public improvement.



Area slated for street closure to accommodate new park.

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Key Diligence Elements

Site Requires Formal Entitlement Processing

Site Will Require Further Environmental Remediation

NARRATIVE ON THIS ASPECT

In collaboration with Ziese Architecture, Evanisko has created a site plan after a measurement of all applicable aspects of the existing zoning + state bonus density to configure 50 townhome condos. The project requires minimal discretionary requests of which, in most cases, will not be required after a City zoning update codifies.

Evanisko has submitted site plan with a precise articulation of the specific entitlements required to effectuate the site plan for 50 townhome condominiums using 50% bonus density to the City of Cudahy planning department using a Master Entitlement Application for **Initial Development Review**. The purpose of the formalized review is to establish a dialogue with City Staff to establish viability of the site plan and entitlements from both a planning and building department perspective without an actual entitlement submittal (which requires a full schematic plans set). With City comments, the selected Buyer can further refine the site plan and more efficiently conduct diligence efforts.. The buyer will ultimately decide how to perfect their own application based on these findings.

Additionally, the City of Cudahy has initiated a zoning code update which will incorporate a few aspects that the proposed project herein requires discretionarily (through CUP) but would NOT be required discretionarily once the zoning code updates codify.



Evanisko has collaborated with Ziese architecture to create the site plan concept pictured. With careful measurement of the City's zoning code, the site plan effort has enabled the seller and Evanisko to understand with specificity the list of entitlement requests likely required to formally effectuate such a plan. These specific proposed entitlement requests are outlined in a DRAFT entitlement application included in the Due Diligence Folder and are listed on the preceding pages of this brochure.

Please view Ziese Architecture's work at:
www.ziesearchitecture.com

NARRATIVE ON THIS ASPECT

Several remediation tasks have been completed as part of Ownership's prior development efforts including removal of arsenic, formal closure for the two underground storage tanks, some fill and debris removal, and building demolitions.

Residential standards for remediation are more stringent than commercial standards.

In 2023 Stantec conducted an additional Phase II Environmental report which summarizes the areas of concern and requiring remediation with estimated haul-off quantities/locations of contaminated soil. **The Stantec Phase II report was conducted within a context specific to the development of a residential project similar to the one proposed herein.** These aspects are outlined below and on the next page of this presentation.

- 1 **ANTICIPATED TITLE 22 METALS REMEDIATION:** REMOVAL AND DISPOSAL OF AN ESTIMATED 8,800 TONS OF SHALLOW SOIL (1'-10' BGS) AT THE LOCATIONS DEPICTED ON FOLLOWING PAGE.
- 2 **ANTICIPATED PETROEUM HYDROCARBONS (TPH) REMEDIATION:** REMOVAL OF ESTIMATED 175 TONS OF SHALLOW SOIL AT THE LOCATIONS DEPICTED ON THE FOLLOWING PAGE AND THE **POTENTIAL** INSTALL OF VAPOR BARRIERS UNDER NEW PROPOSED FOUNDATIONS.
- 3 **ANTICIPATED DIOXINS AND FURANS (PCB) REMEDIATION:** THE REMOVAL AND DISPOSAL OF THE SHALLOW SOIL TO REMEDIATE THE TITLE 22 METALS WILL CONCURRENTLY REMEDIATE THE PRESENCE OF DIOXINS AND FURINS.

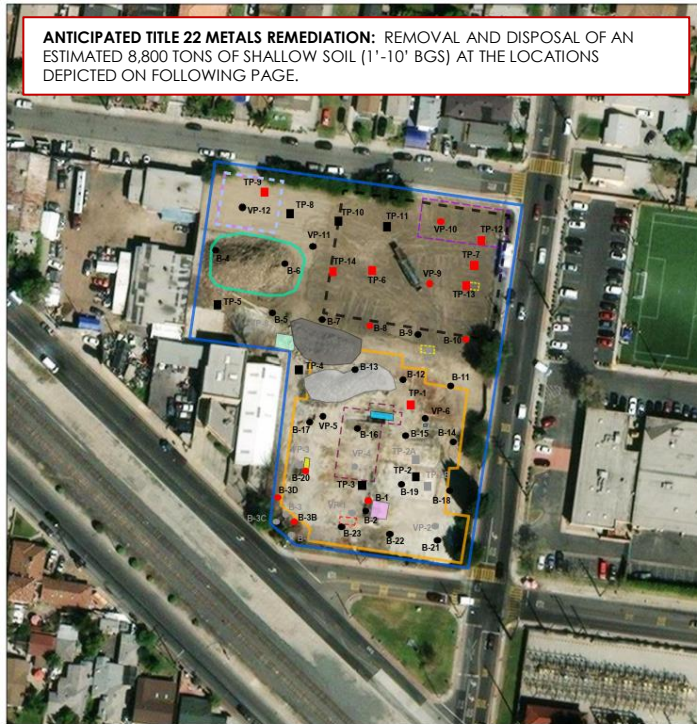
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ANTICIPATED ENVIRONMENTAL REMEDIATION EXHIBIT

7801-7831 Otis Avenue
Cudahy, CA 90201

The extent of soil contamination is well characterized and superficial though will still require the proper removal and disposal of contaminated soil (and replacement of clean fill soil to desired finished grade level). Permits will likely be required from the City of Cudahy to demolish existing slabs, pits, excavation, backfilling, and grading. Groundwater is around 70' deep and is not affected due to the superficiality of the contamination identified through rigorous testing. The tasks listed on the site diagrams below will require consultant involvement throughout including the production of a formal RAP (Remediation Action Plan) to instigate actual on-site clean up actions.

REC CATEGORY 1 – TITLE 22 METALS (LEAD AND CADMIUM)

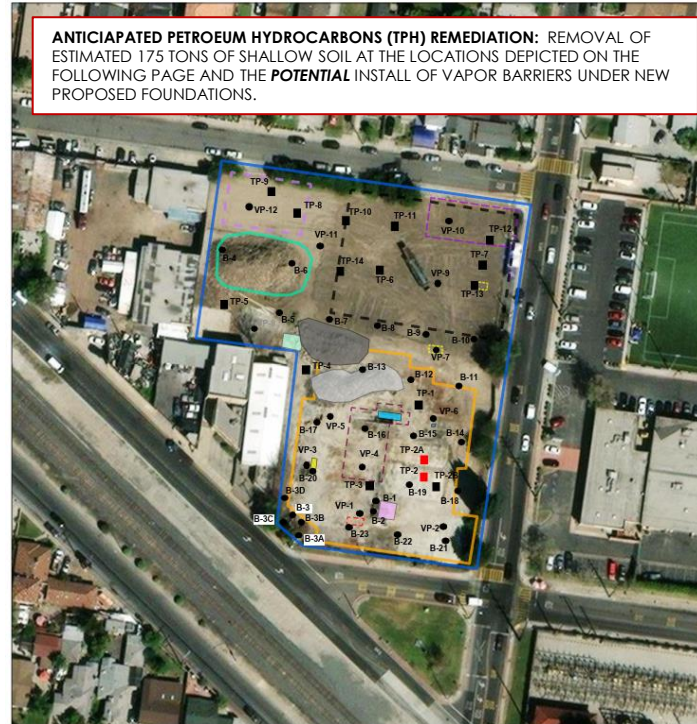


ANTICIPATED TITLE 22 METALS REMEDIATION: REMOVAL AND DISPOSAL OF AN ESTIMATED 8,800 TONS OF SHALLOW SOIL (1'-10' BGS) AT THE LOCATIONS DEPICTED ON FOLLOWING PAGE.

<ul style="list-style-type: none"> Subject Property Boundary Northeast Fill Excavation Area (Approximate) Northwest Fill Excavation Area (Approximate) Arsenic Excavation Area Asphalt Pile Concrete Pile Conveyor Ramp Former Automotive Repair Building 	<ul style="list-style-type: none"> Former Building Former Diesel UST (Approximate) Former Foundry Building Former Gasoline UST (Approximate) Former Smelting Pits/Sumps Sorted Debris Pile Trench Vault Location Exceeds Residential RSLs
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Stantec
Project Location: 7801-7831 Otis Avenue, Cudahy, California 90201
Drawn by BT on 2023-01-20
Title: 4
IR by CM on 2023-01-20
Subject Property with Metals Above Residential SLs
Page 1 of 1

REC CATEGORY 2 - PETROLEUM HYDROCARBONS (TPH)

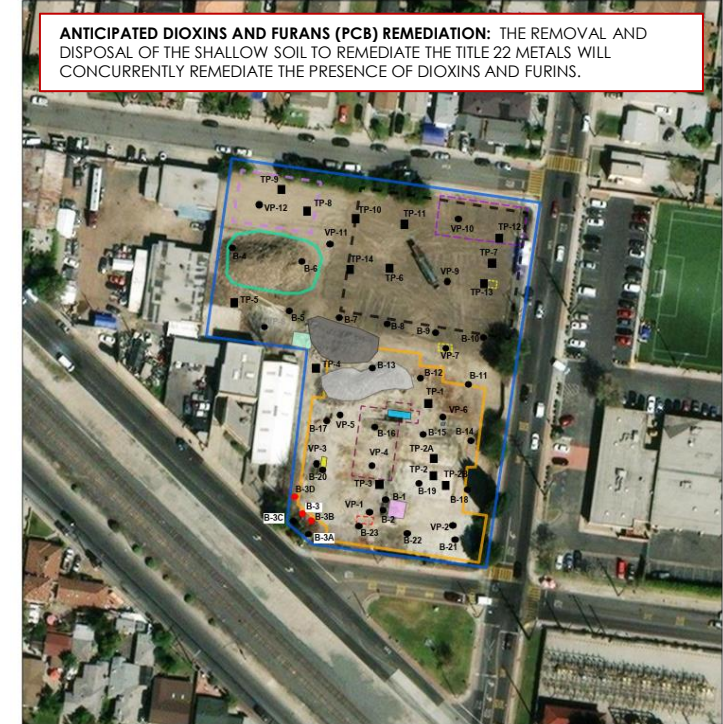


ANTICIPATED PETROLEUM HYDROCARBONS (TPH) REMEDIATION: REMOVAL OF ESTIMATED 175 TONS OF SHALLOW SOIL AT THE LOCATIONS DEPICTED ON THE FOLLOWING PAGE AND THE POTENTIAL INSTALL OF VAPOR BARRIERS UNDER NEW PROPOSED FOUNDATIONS.

<ul style="list-style-type: none"> Subject Property Boundary Northeast Fill Excavation Area (Approximate) Northwest Fill Excavation Area (Approximate) Arsenic Excavation Area Asphalt Pile Concrete Pile Conveyor Ramp Former Automotive Repair Building 	<ul style="list-style-type: none"> Former Building Former Diesel UST (Approximate) Former Foundry Building Former Gasoline UST (Approximate) Former Smelting Pits/Sumps Sorted Debris Pile Trench Vault Location Exceeds Residential SLs
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Stantec
Project Location: 7801-7831 Otis Avenue, Cudahy, California 90201
Drawn by BT on 2023-01-20
Title: 4
IR by CM on 2023-01-20
Subject Property with TPH Above Residential SLs
Page 1 of 1

REC CATEGORY 3 - DIOXINS AND FURANS (PCBS)



ANTICIPATED DIOXINS AND FURANS (PCB) REMEDIATION: THE REMOVAL AND DISPOSAL OF THE SHALLOW SOIL TO REMEDIATE THE TITLE 22 METALS WILL CONCURRENTLY REMEDIATE THE PRESENCE OF DIOXINS AND FURINS.

<ul style="list-style-type: none"> Subject Property Boundary Northeast Fill Excavation Area (Approximate) Northwest Fill Excavation Area (Approximate) Arsenic Excavation Area Asphalt Pile Concrete Pile Conveyor Ramp Former Automotive Repair Building 	<ul style="list-style-type: none"> Former Building Former Diesel UST (Approximate) Former Foundry Building Former Gasoline UST (Approximate) Former Smelting Pits/Sumps Sorted Debris Pile Trench Vault Location Exceeds Residential SLs
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Stantec
Project Location: 7801-7831 Otis Avenue, Cudahy, California 90201
Drawn by BT on 2023-01-20
Title: 5
IR by CM on 2023-01-20
Subject Property with Dioxins and Furans Above Residential SLs
Page 1 of 1

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EVALUATION

Previous development plans for the site included a subsurface parking garage that would have removed considerable volume of soil for off-site disposal and inclusion of a vapor mitigation system under the future buildings. Cleanup efforts in California are often times based on the future use of a Site with residential development requiring more stringent cleanup efforts than for commercial or industrial Sites. The residential development at the Site would not include subsurface parking and in general, a new remedial strategy would be necessary. At the present time, the Site is a vacant lot with a few environmental issues that will need to be addressed to allow residential redevelopment to occur. There has been no regulatory involvement to date other than related to closure of the USTs that were removed from the Site. The issues generally include localized and well characterized, surficial areas where elevated concentrations of certain contaminants are present as well as the presence of VOCs in soil gas that could theoretically present a potential for a vapor intrusion concern into the future residential buildings. We have developed a conceptual program that presents what we believe could be a likely scenario to enable residential development. That would include limited soil removal of soil unacceptable for residential use, the potential incorporation of a vapor intrusion mitigation system (VIMS) under future residential buildings (based on the results of a risk assessment) and preparation and implementation of a Soil Management Plan (SMP) to guide future grading to address both the known impacted soil and present the procedures to address potential unknowns that could be encountered during grading at the discretion of the local jurisdiction. The project may require some level of regulatory oversight.

CONCLUSION

The Site was historically undeveloped vacant land as early as 1896; developed with a residential building on the southeast portion in the early 1920s and developed by a foundry and steel forming operations as early as 1928. The Site is currently a vacant parcel of land paved with asphalt and concrete. Investigations conducted at the Site to date have identified the presence of localized areas where chemicals are present in shallow soil that may require removal and VOCs in soil gas that could pose a potential threat of vapor intrusion. Development of the Site for residential will likely require that these issues be addressed, and we have developed a conceptual remedial estimate of ~\$1.3M-\$1.7M.

Mark Cousineau
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(949) 361-3902 o
(949) 361-3697 f
(949) 689-5165 c

** This is an excerpt from a full environmental summary and estimate to remediate by HMC which is in the Due Diligence folder.



Table 1.
7801 Otis Cudahy Env Estimate-Assuming Regulatory Oversight

Item	Unit	Rate	LOW Cost	HIGH
DTSC Interface/Planning				
Enter DTSC Program/Scoping	1	\$10,000	\$10,000	
Current conditions Report/Workplan	1	\$15,000	\$15,000	
Supplemental Investigation	1	\$75,000	\$75,000	
Prepare RAP	1	\$25,000	\$25,000	
HHRA	1	\$25,000	\$25,000	
DTSC Fees	1	\$25,000	\$25,000	
Subtotal			\$175,000	
Remediation				
Fill in Northeast (Tons)	4500	\$185	\$832,500	
Fill in NW (Tons)	0	\$0	\$0	
Fill W/Debris in SW-Dioxin, TPH (Tons)	575	\$85	\$48,875	
Smelting Pit (Tons)	30	\$85	\$2,550	
Foundry Soil- TPH, Slag (Tons)	185	\$185	\$34,225	
Subtotal			\$918,150	
SMP & Grading				
SMP Preparation	1	\$10,000	\$10,000	
SMP Implementation (Days)	40	\$2,000	\$80,000	
Import Soil (to replace soil removed-Tons)	5290	\$15	\$79,350	
Subtotal			\$169,350	
Vapor Intrusion				
Low				\$0
High				
Install VIMS (Square feet of slab)	50000	\$5	\$250,000	
O&M	1	\$100,000	\$100,000	
Subtotal				\$350,000
TOTAL			\$1,262,500	\$1,612,500

Notes

Assumes soil in NW can be reused on Site

Assumes soil in NE has ~50% impact to 5'/Stantec assumed all was impacted

VIMS range assumes no action after HHRA (best case) to Install VIMS at \$5/foot

Urban Acres

Hi Frank,

Here is my take / estimate.

Generally, I think the chemicals of concerns (COCs) at the site have been pretty well defined. The primary unknown is how much of the lead impacted soil will be considered RCRA vs non-RCRA vs. federal hazardous soil for disposal. This can have a major impact on disposal costs as only specific landfills will take non-RCRA/federally hazardous soil and disposal costs can be significantly higher. This is currently not fully defined as only a handful of samples were run for STLC/TCLP lead analysis.

I'm working on a site in Watts right now that has a similar amount of shallow soil with lead/arsenic & TPH contamination, which I am using to base this estimate. I'd budget 1 to 1.5 million for the soil removal/disposal, required SCAQMD 1466 permitting/monitoring for metals impacted soil, and reporting.

I spoke in broad terms to someone I know at DTSC regarding doing a cleanup without regulatory oversight and then going to the regulators post-cleanup to seek closure. Their opinion was that yes it can be done, but also poses several risks. Primarily this is that the regulatory agency does not feel the site was adequately characterized or cleaned up to their standards and will not provide signoff. This can lead to further assessment/remediation causing significant delays in development or closure will not be granted.

Additionally, there are several site-specific factors to be considered for this project. Based on its proximity to residential properties, the school, previous involvement of concerned community members, significant quantity of soil removal (it will take 3-5 weeks of excavation/hauling), and high metals concentrations it is very possible there will be public scrutiny of work happening on the site. Having a regulatory agency involved will help buffer you (the developer) from those parties as the agency will interface with them.

I would not recommend pursuing the cleanup without regulatory oversight on this project. One potential route to go is to develop a RAP and then take the previous assessment work / RAP to the agency as a package for them to review. This will require enrolling in a Voluntary Cleanup Agreement with them, but it should speed up the process instead of going to them now and it will mitigate the risks discussed above that are associated with the cleanup itself.

Best,

ERIC KOONS, SENIOR ENVIRONMENTAL SCIENTIST

30423 Canwood Street - #208
Agoura Hills, CA 91301
C - 805-300-0942, O - 818-991-15542
Engineering Contractor A732377
Hazardous Waste Substance Removal
www.calenviro.com



Urban Acres

REAL ESTATE ACQUISITION OPPORTUNITY

7801-7831 Otis Avenue
Cudahy, CA 90201



Teresa Hughes Elementary - LAUSD

Existing Multifamily and Commercial Uses
(MDR Zoning)

City Park Property
(P Zoning)

Edison Property
(MDR Zoning)

Urban Acres

Existing Multifamily and Single Family Uses
(LDR Zoning)

Existing Industrial Uses
(LDR Zoning)

	A	B	C	D	E	F	G	H	I	J
EVANISKO REALTY & INVESTMENT, INC.										
7801-7835 Otis Ave. 50 TH with 15% BMR										
			Low Income Component - Estimated Price - 4 Person Household 50% of AMI (\$98,200)							
			Mix	3+3	3+3	3+3				
			Plan Type	Plan 1	Plan 2	Plan 3				
			Garage Configuration	4 Tandem / 1 SS	Tandem	SS				
			Plan Type	1	2	3				
Project Summary										
Project										
Quick Floorplan Notes										
Unit Count			5	33	12					
Unit Size (Salable SF)			1,500	1,450	1,600					
Garage Area			400	400	400					
Gross Buildable			1,900	1,850	2,000					
Price Per SF			\$133.00	\$450.00	\$435.00					
Base House Price			\$199,500	\$652,500	\$696,000					
Upgrades			0%							
Other Premiums			0.0%							
HPA			0%							
Gross Price			\$199,500	\$652,500	\$696,000					
Gross Price Per SF			\$133.00	\$450.00	\$435.00					
			1	2	3	Total	Per Unit	% of Revenue	Per SF	
Revenue			\$397,500	\$21,532,500	\$8,352,000	\$30,882,000	\$617,640	100.0%	\$414.25	
Development Costs			NOTES							
Land Price			\$425,000	\$2,805,000	\$1,020,000	\$4,250,000	\$85,000	13.76%	\$57.01	
Construction Items (In-Tract and Offsite)			\$375,000	\$2,475,000	\$900,000	\$3,750,000	\$75,000	12.14%	\$39.66	
Environmental Remediation Including Enviro. Consultant Fees			\$175,000	\$1,155,000	\$420,000	\$1,750,000	\$35,000	5.67%	\$18.51	
Professional Fees (Site)			\$25,000	\$165,000	\$60,000	\$250,000	\$5,000	0.81%	\$2.64	
Developer Impact Fees Including Entitlement Fees			\$100,000	\$660,000	\$240,000	\$1,000,000	\$20,000	3.24%	\$13.41	
			\$1,100,000	\$7,260,000	\$2,640,000	\$11,000,000	\$220,000	35.62%	\$147.55	
Construction Costs										
Building Permits/Fees			\$75,000	\$495,000	\$160,000	\$750,000	\$15,000	2.43%	\$4.00	
Direct Construction Costs			\$397,500	\$6,364,050	\$2,553,600	\$9,915,150	\$198,303	32.11%	\$133.00	
			\$1,072,500	\$6,859,050	\$2,733,600	\$10,865,150	\$213,303.00	34.54%	\$143.06	
Project Soft Costs										
Professional Fees (Building)			\$17,500	\$115,500	\$42,000	\$175,000	\$3,500	0.57%	\$2.35	
Legal/DRE			\$5,000	\$33,000	\$12,000	\$50,000	\$1,000	0.16%	\$0.67	
Property Taxes			3.60%	\$15,300	\$100,980	\$153,000	\$3,060	0.50%	\$2.05	
Sales/Marketing/Advertising			\$9,975	\$215,325	\$83,520	\$308,820	\$6,176.40	1.00%	\$4.14	
Commissions/Closing			\$34,913	\$753,638	\$292,320	\$1,080,870	\$21,617.40	3.50%	\$724.93	
G & A (Overhead)			\$29,925	\$645,975	\$250,560	\$926,460	\$18,529.20	3.00%	\$621.37	
Warranty Reserve			\$9,975	\$215,325	\$83,520	\$308,820	\$6,176.40	1.00%	\$207.12	
Insurance			\$14,963	\$322,988	\$125,280	\$463,230	\$9,264.60	1.50%	\$310.68	
Contingencies			5.00%	\$49,576	\$327,200	\$495,758	\$9,915.15	1.61%	\$6.65	
Finance Costs			\$120,000	\$792,000	\$288,000	\$1,200,000	\$24,000.00	3.89%	\$16.10	
			\$307,126	\$3,521,930	\$1,332,902	\$5,161,958	\$103,239.15	16.72%	\$69.24	
Total Costs			\$2,473,626	\$17,640,980	\$6,706,502	\$26,822,108	\$536,542.15	86.87%	\$359.85	
Net Margin After Financing			\$405,489	\$2,676,229	\$973,174	\$4,054,893	\$81,097.85	13.13%	\$54.39	

Under Development Review – 50 Attached Townhome Condominium Development Concept

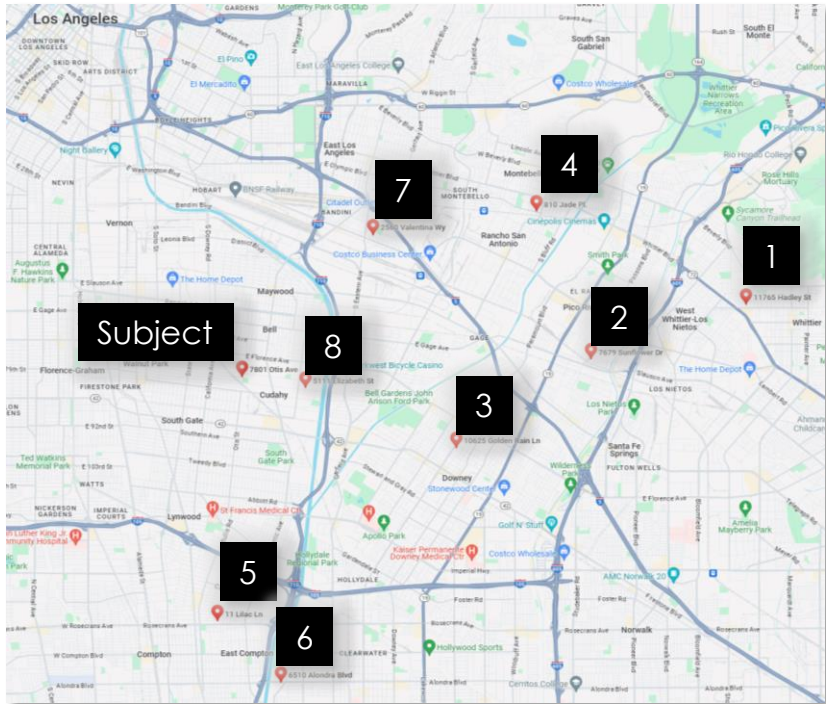


SYNOPSIS OF THE CONTRIBUTING ASSUMPTIONS USED IN THIS STATIC PRO FORMA:

- **GROSS REVENUE:** Includes the 5-unit low-income (VL) component at an assumed value of \$199,500/each (per articulated methodology in cell C2) is anticipated at \$30,882,000.
- **ENTITLEMENTS:** This underwriting exercise assumes the execution of an entitlement and subsequent building plans to the general scope of the development concept proposed herein.
- **SITE DEVELOPMENT:** \$75,000/Door in lot-finishing costs (import fill, grading, utility infrastructure, driveway infrastructure, etc. We do not have a formal third-party estimate.
- **ENVIRONMENTAL REMEDIATION:** We plugged in a \$1,750,000 in environmental remediation assumption.
- **VERTICAL DIRECTS:** Using \$133 PSF for three story attached townhome which includes assumption of vapor barriers beneath foundations.
- **OVERHEAD AND CONTINGENCIES:** Using \$925,000 and \$500,000 respectively.
- **PROJECT MARGIN:** Assuming a land price of \$4,250,000 with close on entitlement (to be defined more exactly as part of Buyer negotiation), the project reaches over a 13% margin on revenue under these set of assumptions.

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- Pertinent sales data sourced from the MLS within newer-built mid-sized subdivisions within jurisdictions surrounding the subject development site.
- **Market rate 1,300-1,600 SF three story attached condominium units at the subject site, we predict to be valued at +/- \$700,000 when completed.**
- To execute the project depicted herein requires the use of state bonus density to gain 50% more units + additional story in height – requiring a 15% BMR (5 units) component



1
**11765 Hadley Street
Whittier, CA 90602**

Subdivision of 32 attached three story townhomes built 2020
Resales in 2022 for 1,319 SF 2+2s +/- \$550,000



2
**7679 Sunflower Dr.
Pico Rivera, CA 90660**

Subdivision of 36 attached three story townhome condos built 2018
Resales in 2023 for 1,610 SF 3+3s +/- \$685,000



3
**10625 Golden Rain Lane
Downey, CA 90241**

Subdivision of 116 attached three story townhome condos built 2018
Resales in 2022 for 1,895 SF 3+2s +/- \$780,000



4
**810 Jade Place
Montebello, CA 90640**

Subdivision of 35 attached three story townhome condos built 2018.
Resales in 2022 for 1,270 SF 2+2's +/- \$610,000



5
**11 Lilac Lane
Compton, CA 90221**

Subdivision of 62 detached townhome condo built 2019
Resales in 2023 for 1,670 SF 3+2s +/- \$685,000



6
**6510 Alondra Blvd.
Paramount, CA 90723**

Subdivision of detached homes with no yards built 2022.
Sales through 2022 for 2,000 SF 4+2s +/- \$850,000



7
**2560 Valentia Way
Commerce, CA 90040**

Subdivision of 31 attached three story townhome condominiums built 2022
Sales through 2022 for 1,280 SF 3+3's +/- \$700,000



8
**5111 Elizabeth Ave.
Cudahy, CA 90201**

Subdivision of six two story detached condos built 2022.
Sales through 2022 for 1,430 SF 3+2s +/- \$600,000

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APPLICABLE LAND SALES

7801-7831 Otis Avenue
Cudahy, CA 90201

- These applicable recent land sales represent a consistent gravitation towards \$125K per door for entitled townhome land in LA County at locations commanding \$600K-\$700K for a completed attached townhome.
- The subject site has been priced to account for the fact that it is un-entitled and requires environmental remediation.



**4820 Durfee Ave.
Pico Rivera, CA 90660**

110,163 SF land

Sold: 10/27/23 to KB Home who purchased entitled for the 45 three-story townhome condos ranging 1,525-1776 SF. Former industrial site.

\$5,036,000 (\$111,911 Per Door)



**12247 Elliot Ave.
El Monte, CA 91732**

92,347 SF land

Sold: 9/12/22 to Brandywine homes who entitled mostly during escrow. entitled for 52 three story townhome condos.

\$6,452,000 (\$124,077 Per Door)



**9433 Sepulveda Blvd.
North Hills, CA 91433**

98,446 SF land

Sold: 6/6/2022 to Williams Homes who purchase entitled for 58 three story interlocking townhome condos.

\$7,235,000 (\$124,741 Per Door)



Subject Property

**7801-7825 Otis Ave.
Cudahy, CA 90201**

95,832 SF land

Under Initial Development Review for 50 attached three story townhome condominiums.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Any elevation or rendering is provided for reference purposes only. A buyer must verify the information and bears all risk for any inaccuracies. All materials and information received or derived from the Listing Brokers, their directors, officers, agents, advisors, affiliates and/or any third-party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the Property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the Property, projected financial performance of the Property for any party's intended use or any and all other matters. Neither Listing Broker nor their respective directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. The Listing Brokers will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE. Any party contemplating or in escrow for a transaction is urged to verify all information and to conduct its own inspections and investigations including through appropriate third-party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. The Listing Brokers shall not serve as financial advisors to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents or potential rents from or for the Property. Legal questions should be referred to an attorney. Tax questions should be discussed with a certified public accountant or tax attorney. Title questions should be referred to a title officer or real estate and/or land-use counsel. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed with appropriate engineers, architects, contractors, other consultants and/or governmental agencies.

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CONFIDENTIALITY AGREEMENT

7801-7831 Otis Avenue
Cudahy, CA 90201

The undersigned has been advised that Evanisko Realty & Investment, Inc. (the "Broker") has been retained on an exclusive basis by Seller (the "Owner") with respect to the offering for sale of a potential development site in Los Angeles County, CA (the "Property"). The Owner has indicated that all inquiries and communications with respect to the contemplated investment in and acquisition of the Property be directed to the Broker. The undersigned is a principal in connection with the possible acquisition of the Property.

The Broker has available, for your review, certain information ("Confidential Information") concerning the potential acquisition of the Property. On behalf of the Owner, Broker shall make such Confidential Information available to the undersigned upon execution of this Confidentiality Agreement. The Confidential Information is intended solely for your own limited use in considering whether to pursue the acquisition of the Property. This is not an agreement to sell the Property or an offer of sale. No agreement shall be binding upon the Owner, or any of its associated or affiliated companies, nor shall any agreement be deemed to exist, at law or equity, until the Owner of the Property enters into a formal and final binding written agreement regarding the acquisition of the Property.

By executing this Confidentiality Agreement you agree that the Confidential Information provided is confidential, that you will hold and treat it in the strictest confidence, and that you will not disclose or permit anyone else to disclose the Confidential Information to any person, firm or entity without prior written authorization of the Owner and the Broker, except in connection with the evaluation of the Property that the information may be disclosed to your partners, employees, legal counsel and lenders or pursuant to a court order. Additionally, you agree to not to disclose your receipt of the Confidential Information, your interest in purchasing the property and/or the terms or conditions of any offer(s) you make to purchase the Property or take any other action that could adversely affect the potential development of the Property. Owner expressly reserves the right, in its sole discretion, to reject any or all proposals or expressions of interest in the Property and to terminate discussions with any party at any time with or without notice.

Accepted and Agreed [Date] _____ Signature _____

Name [Print] _____ Company _____

Address _____ City _____ State _____ Zip _____

Phone _____ Office _____ Email _____



Statement of Purpose.

Arguably the pioneer of the true urban land brokerage in the City of Los Angeles, Evanisko's boutique operation (founded 2003) possesses the nimbleness required to transact ahead of market trends and is usually retained after less consultative-driven marketing methodologies and personal have been exasperated in hopes of identifying the proverbial "white knight". Evanisko's trademark marketing and negotiating style has proven invaluable to stakeholders in transactions involving real estate slated for redevelopment including sites with entitlement challenges during transformative economic environments. Evanisko's closed transactional resume spans dozens of Southern California zoning jurisdictions, project uses, and sizes with a special focus on exclusive landowner representation in the marketing and sale of real estate slated for various forms of housing product typologies.