



## LETTER OF INTENT

### INITIAL FUNDING COMMITMENT FOR CORDARY AFFORDABLE HOUSING PROJECT

Date: June 24, 2025

To: Lara Regus  
Abode Communities  
1149 Hill Street, Suite 700  
Los Angeles, CA 90015

From: Vontray Norris, City Manager, City of Hawthorne

Subject: Letter of Intent – Initial Funding Commitment for Cordary Affordable Housing Project

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We are pleased to inform you that the City of Hawthorne (City) has approved an initial commitment for an affordable housing development loan in the amount of \$6,000,000 to Abode Communities (Borrower) for the development of the Cordary Affordable Housing Project (Project) located in Hawthorne, CA.

The purpose of the loan is to provide funding for the construction of new affordable housing residences with income restrictions ranging between 30 percent Area Median Income (AMI) and 80 percent AMI. The loan is contingent on the Borrower securing sufficient other funding for the Project and is subject to the terms and conditions set forth in this commitment letter.

Loan Amount: Six Million Dollars (\$6,000,000)

Source of Funds: Low- and Moderate-Income Housing Asset Fund

Interest Rate: Three percent (3%), as defined in the Promissory Note

Term of Loan: Up to thirty (30) months for construction, plus fifty-five (55) years starting from the date a Certificate of Occupancy or Placed in Service Date is issued to the Project

Fees: One percent (1%) origination fee

Disbursement: Draw down funding will be based on invoices and

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construction pay applications

**Payment:** Following conversion to a permanent loan, Borrower shall make payments from residual receipts (calculated after payment in full of the development fee to Abode Communities and otherwise, as defined in the loan agreement).

**Security:** Deed of Trust, which may be subordinated to other lenders with City reasonable approval.

**Regulatory Agreement:** A Regulatory Agreement with a fifty-five (55) year term from the date the Certificate of Occupancy or Placed in Service Date is issued to the Project, which specifies, among other requirements, eligible occupancy standards, maximum affordable rents, and minimum operating and replacement reserves which may be subordinated to other lenders with City reasonable approval.

**Project Name:** Cordary Affordable Housing Project

**Project Location:** The parcel located immediately south of 14115 Cordary Avenue, identified as assessor parcel number (APN) 4051-030-902.

**Number of Units:** Approximately ninety-two (92) Units, exact number to be determined.

**Occupancy and Rent Restrictions:** All units [except possibly a manager's unit(s)] shall be restricted to income levels ranging between 30 percent AMI and 80 percent AMI. At least 30 percent of the units shall be restricted to 30 percent or less AMI. At least 80 percent of the units shall be restricted to 60 percent or less AMI. The exact mix of income levels will be determined. For new tenants moving into the property, the rent shall be affordable based on the income levels, adjusted for the number of bedrooms and less a utility allowance for any tenant-paid utilities.

**Project Description:** The Project is a proposed 92-unit, new construction affordable housing development for families. The development will also include a community room and a podium open-space courtyard.

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Project Status: Predevelopment

Effective Date: This Letter of Intent is effective on the date of the Borrower signature.

Other conditions for the funding commitment include 1) Borrower securing sufficient necessary other funding for the Project, 2) the completion of a Phase 1 Environmental Site Assessment, 3) Successful execution of a Disposition and Development Agreement (DDA), and 4) Borrower following the proposed community outreach process. In addition to this initial commitment of funds, the City intends to assist with site entitlement to achieve the desired number of units developed.

This commitment letter is not intended to describe all of the requirements, terms, conditions, and documents necessary for the loans. A loan agreement, including the promissory note, deed of trust, and related documents, will be prepared for approval by City legal counsel and shall include all provisions and attachments customarily included in City affordable housing loan agreements.

City and Borrower intend for this commitment letter to be a legally binding and enforceable agreement. Therefore, the parties agree to proceed in good faith to prepare the required documents and satisfy the other conditions to the commitment. Conditions stated herein may be changed only by the prior written consent of both of the parties to this commitment letter.

The initial amount of the City loan has been based upon estimated total development costs submitted by Borrower. The loan amount may be adjusted based on updated Development cost estimates.

The commitment contained herein expires on June 1, 2026, or at the execution of a Disposition and Development Agreement, whichever occurs first. Please sign the attached copy of this letter and return it to us as soon as possible, to acknowledge acceptance of the terms and conditions contained in this letter.

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Should you have any questions or concerns regarding this proposed Project, contact Gregg McClain at (310) 349-2970 or [GMcClain@cityofhawthorne.org](mailto:GMcClain@cityofhawthorne.org).

Thank you,

Vontray Norris, City Manager

[vnorris@cityofhawthorne.org](mailto:vnorris@cityofhawthorne.org)

(310) 349-2910

ACKNOWLEDGED AND ACCEPTED:

Abode Communities

DocuSigned by:  
*Lara Regus*  
595E3E26133A432...

SVP, Real  
Estate  
Development

6/18/2025

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Name & Title

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Date

Cc: Gregg McClain, Planning Department Director