

# **NOTICE**

**The Urban Community Development Commission (UCDC) was established by Ordinance No. 1,479, adopted on July 15, 1975. The Commission functions as the governing body for the Community Redevelopment Agency (CRA) and the Local Housing Authority (LHA) and exercises the power, authority, jurisdiction and functions of redevelopment agencies, housing authorities and federal surplus property authorities granted under the Marks Foran Residential Rehabilitation Act to charter cities.**

**URBAN COMMUNITY DEVELOPMENT COMMISSION  
AGENDA  
Tuesday, July 05, 2011  
5:30 PM**

**HEARING(S)**

**OPENING**

**ROLL CALL**

**PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS**

**APPROVAL OF MINUTES**

1. June 21, 2011

**CLOSED SESSION**

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**COMMISSION COMMENTS**

**ADJOURNMENT**



**JUNE 21, 2011**

The Urban Community Development Commission meeting was called to order at 5:43 p.m. in the Council Chambers of City Hall by Chairperson Eric Perrodin. The Pledge of Allegiance and Moment of Silence ceremonies were also led by Chairperson Eric Perrodin.

**ROLL CALL**

**Commissioners Present: Calhoun, Dobson, Arceneaux, Jones, Perrodin**

**Commissioners Absent: None**

**Other Officials Present: C. Cornwell, A. Godwin, W. Norfleet**

**PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS**

**Joyce Kelly**, Compton resident, referenced the proposal to reduce the City's workforce and ask if the commission had first considered all options and line item allocations. She urged the Commission to keep the employees who are qualified and educated in their positions, but most importantly the employees in public safety. She pleaded with this Commission to have compassion on the City employees and asked that they consider consulting with another City on this issue to help resolve the City's shortfall.

**APPROVAL OF MINUTES**

1. June 8, 2011

On motion by Arceneaux, seconded by Dobson, the minutes were approved, by the following vote on roll call:

**AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin**

**NOES: Commissioners - None**

**ABSENT: Commissioners - None**

**UNFINISHED BUSINESS** - There was no Unfinished Business.

#1.

**NEW BUSINESS**

2. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF AND EXECUTING A COOPERATION AGREEMENT, IF NECESSARY, BETWEEN THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES AND THE COMMUNITY REDEVELOPMENT AGENCY IN CONNECTION WITH THE PROPOSED META HOUSING SENIOR RESIDENTIAL DEVELOPMENT PROJECT

On motion by Arceneaux, seconded by Jones, approved **Resolution # 1,863** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF AND EXECUTING A COOPERATION AGREEMENT, IF NECESSARY, BETWEEN THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES AND THE COMMUNITY REDEVELOPMENT AGENCY IN CONNECTION WITH THE PROPOSED META HOUSING SENIOR RESIDENTIAL DEVELOPMENT PROJECT**" was approved, by the following vote on roll call:

**AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin**

**NOES: Commissioners - None**

**ABSENT: Commissioners - None**

3. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF A SUBORDINATION AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ALAMEDA COURT, LLC IN CONNECTION WITH THE 28 UNIT TOWNHOME DEVELOPMENT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA

**Commissioner Arceneaux** referenced the background data and questioned why the Community Redevelopment Agency (Agency) would opt to take the second position on a loan in this transaction.

**Kofi Sefa'boayke**, Director of the Agency, explained that the developer is currently experiencing a problem in their cash flow; therefore, a loan is needed to continue their financial obligations of marketing the property and managing interest payments. Mr. Sefa'boayke mentioned that the loan would expire in twelve months and that it is secured by nine units and further noted that as soon as the payments are made to the bank, the City will come back to first position.

**Commissioner Dobson** stated that it is unreasonable to request that the Agency take a second position with regard to this property and cited it unthinkable for the Agency to even consider the proposal.

**Commissioner Calhoun** recalled another incidence in which the Agency took the second position and subsequently questioned why the Agency is making this request now.

**Willie Norfleet**, Executive Secretary, maintained that he was unsure about why this request was before this Body at this particular point in time.

Commissioner Arceneaux indicated that some of the units were already being rented out and contended that this would be a very risky deal for the City to involve itself in.

Commissioner Calhoun requested the price of the homes. Mr. Sefa'boayke answered that the homes were still priced at \$250,000 and more.

**Chairperson Perrodin** stated that after reading the background data, he observed a letter from America Plus Bank dated March 30, 2011, which advised Mr. Lin that his loan application for 2.2 million dollars had been approved per the following: satisfactory review of current appraisal report; additional documents and financial information; and borrower's execution of all related loan documents.

**Mr. Hansen**, representative of Dr. Lin, advised the Commission that they had applied for the loan in February 2011.

Commissioner Calhoun expressed a concern for the loan defaulting. Mr. Hansen explained that the banking regulations have pre-sale requirements that mandate a minimum of 50-75% of the units to be in escrow before the developer can close.

Commissioner Calhoun also asked Mr. Hansen if he could guarantee that the Agency would receive their money. Mr. Hansen replied affirmatively.

Commissioner Arceneaux recognized the eight million dollars in equity in the property and questioned why the bank wouldn't assume the second position. Mr. Hansen stated that it is the bank's standard operating position that they be in the first position.

Commissioner Arceneaux asked Dr. Lin if the bank would still grant them the loan if the Agency denies their request.

**Dr. Lin** held that he would not receive the loan from the bank and would consequently have to turn to a private lender and pay more interest on the loan.

#1.

Chairperson Perrodin acknowledged Mr. Lin's integrity as a developer and explained that these homes were modeled to accommodate the residents that desire a live/work environment; yet the location of the front door has discouraged buyers. He cited the location and adequate parking spaces in and around the Willow Walk development as a premiere feature over the Alameda Court homes.

Chairperson Perrodin requested the number of units on the property and the total cost of the development. Mr. Sefa'boayke held that there were 28 units on the property worth eight million dollars.

Chairperson Perrodin requested the total cost of the previous loan. Mr. Sefa'boayke referenced a previous loan from the Agency in the amount of two million dollars.

On motion by Arceneaux, seconded by Calhoun, "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF A SUBORDINATION AGREEMENT BETWEEN COMMUNITY REDEVELOPMENT AGENCY AND ALAMEDA COURT, LLC IN CONNECTION WITH THE 28 UNIT TOWNHOME DEVELOPMENT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA**" failed, by the following vote on roll call:

**AYES: Commissioners - None**

**NOES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin**

**ABSENT: Commissioners - None**

**COMMISSION COMMENTS** - There were no Commission Comments.

#### **ADJOURNMENT**

On motion by Dobson, seconded by Jones, the meeting was adjourned at 6:22 p.m., by the following vote on roll call:

**AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin**

**NOES: Commissioners - None**

**ABSENT: Commissioners - None**