

NOTICE

The Urban Community Development Commission (UCDC) was established by Ordinance August 15, 1975 to function as the governing body of the Community Redevelopment Agency. Its purpose is to aid in planning and implementing projects in the City of Compton. Pursuant to Section 54957.5 of the California Government Code, Any writings (Except for those writings which are exempt from disclosure) which are distributed to all or a majority of the members of the City Council are available for public inspection in the lobby of the City Council Chambers and in the office of the City Clerk during regular business hours.

URBAN COMMUNITY DEVELOPMENT COMMISSION

AGENDA

Tuesday, June 01, 2010

6:50 PM

WORKSHOP(S)

HEARING(S)

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

UNFINISHED BUSINESS

NEW BUSINESS

1. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH ANR INDUSTRIES, INC., AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
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 ENTER INTO A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER

COMMISSION COMMENTS

ADJOURNMENT

June 1, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH ANR INDUSTRIES, INC., AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

SUMMARY

Staff is requesting the approval of an agreement between the Community Redevelopment Agency of the City of Compton (Agency) and ANR Industries, Inc., as a part of U. S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP).

BACKGROUND

On December 9, 2009, the City Council approved a resolution amending the 2005-2010 Consolidated Plans and the 2008-2009 Action Plan to receive NSP funding from HUD. NSP authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA). The City of Compton's NSP allocation is \$3,242,817.

The purpose of the NSP program is to address the negative community effects of abandoned and foreclosed properties in the City. Consistent with this purpose, the Agency has implemented two key activities: (1) the acquisition, rehabilitation and resale of single family homes to eligible households; and, (2) the acquisition and rehabilitation of rental properties to provide affordable housing to households earning less than 50% of the Area Median Income. These activities are referenced in the Agency NSP guidelines as the Acquisition, Rehabilitation, Rental and Resale Program (ARRR Program).

STATEMENT OF THE ISSUE

The NSP guidelines include provisions that recommend that the Agency enter into agreements with experienced for-profit and/or non-profit housing development organizations as partners ("Developer Partners") to enhance the efforts of the Agency to implement the NSP program.

On March 11, 2010, the Agency released a Request for Qualifications (RFQ) to solicit proposals from qualified companies and non-profit agencies with extensive experience in

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real estate rehabilitation, management and estate financing. Although HUD does not mandated a specific employment requirement within the NSP program, the Agency's RFQ emphasizes importance of recruiting and utilizing local residents, organizations that work with ex-offenders, and all vendors. As part of the RFQ, all Developer Partners proposals are required to indicate how they will work with the various employment resources in the City. In view of that, all potential Development Partners are pre-qualified through the RFQ which will remain open until the Agency's needs are met or program funds have been exhausted

The Agency has reviewed the proposal of ANR Industries Inc., and determined that it meets the requirements for pre-qualification. In addition, ANR is currently working with other municipalities in a similar role under NSP program; and, as such, they are familiar with the NSP regulations.

RECOMMENDATION:

Staff respectfully recommends that the Commission authorize the Executive Secretary to enter into an Agreement with ANR Industries, Inc. as a Developer Partner for the Neighborhood Stabilization Program (NSP).

**DR. KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT**

**CHARLES EVANS
EXECUTIVE SECRETARY**

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH ANR INDUSTRIES, INC., AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

WHEREAS, the City of Compton (City) has received an allocation of \$3,242,281 from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP) to stabilize neighborhoods negatively impacted by foreclosed and abandoned properties; and

WHEREAS, NSP funding is to be utilized to acquire and redevelop foreclosed properties within the City that might become sources of abandonment and blight; and

WHEREAS, NSP funding can be used to purchase, demolish, rehabilitate, and/or reconstruct foreclosed properties meeting NSP criteria; and

WHEREAS, the NSP guidelines include provisions that recommend that the Agency enter into agreements with experienced for-profit and/or non-profit housing development organizations as partners (“Developer Partners”) to enhance the efforts of the Agency to implement the NSP program; and

WHEREAS, on March 11, 2010, the Agency released a Request for Qualifications (RFQ) to solicit proposals from qualified companies and non-profit agencies with extensive experience in real estate rehabilitation, management and estate financing. Although HUD does not mandated a specific employment requirement within the NSP program, the Agency’s RFQ emphasizes importance of recruiting and utilizing local residents, organizations that work with ex-offenders, and all vendors; and

WHEREAS, the Agency has reviewed the proposal of ANR Industries Inc., and determined that it meets the requirements for pre-qualification. In addition, ANR is currently working with other municipalities in a similar role under NSP program; and, as such, they are familiar with the NSP regulations.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Executive Secretary is authorized to enter into an agreement with ANR Industries, Inc., to provide for the purchase, demolition, rehabilitation and reconstruction of foreclosed properties under the Neighborhood Stabilization Program (NSP) within the City of Compton.

Section 2. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

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RESOLUTION NO. _____
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ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES:	COMMISSIONERS-
NOES:	COMMISSIONERS-
ABSENT:	COMMISSIONERS-
ABSTAIN:	COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH ANR INDUSTRIES, INC., AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

Michael Antwine
DEPARTMENT MANAGER’S SIGNATURE

5/27/2010 10:09:51 AM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

5/27/2010 1:54:12 PM
DATE

Willie Norfleet
CITY CONTROLLER

5/25/2010 5:51:55 PM
DATE

Dave Hewitt
CITY MANAGER

5/27/2010 1:28:06 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

June 1, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBANCOMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING EXECUTION OF THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENNAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER.

SUMMARY

On May 18, 2010 pursuant to Resolution 1,797 of the Commission authorized the Community Redevelopment Agency (the "Agency") to negotiate the terms of the loan agreement with Compton Commercial Development Company (the "Developer") in connection with the renovation of the Compton Renaissance Plaza Shopping Center (the "Shopping Center") and authorized the Executive Director to negotiate the terms of the loan agreement with the Developer.

Upon further review it is recommended that minor clarification to the resolution be incorporated for the purposes of executing the loan agreement.

STATEMENT OF THE ISSUE

Under section 2 of Resolution 1,797, it indicates that funds will be disbursed to Burlington Coat Factory upon the completion of the shopping center improvements and the Kmart building improvements. However, the entire shopping center improvements are not contingent upon this loan agreement; as a result, agency staff has removed that language from the resolution. In addition, Agency staff has revised the maturity date of the loan agreement to January 15, 2021.

As of this date, the Agency has consummated negotiations with the Redeveloper (owner) in connection with the loan assistance. Under the terms of the Loan Agreement, the Agency will loan the Redeveloper the sum of \$2,850,000 for the purpose of financing certain improvements to the referenced property. In addition, the Agency will be funding \$250,000 in order to achieve a aesthetically enhanced upgrade of the façade for Burlington Coat Factory store, over and above the typical prototype design.

The Agency's loan shall be evidenced by a promissory note (the "Agency Note") and secured by a deed of trust (the "Agency D/T") encumbering the Property. The Agency Loan shall bear interest at the rate of 3% per annum and shall be for a period of ten (10) years. The principal of and all interest

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accruing on the Agency Loan shall be payable on the dates and in the amounts as provided in the Agency Note, and the Agency Note shall mature on January 15, 2021 (the “Maturity Date”).

FISCAL IMPACT

The Agency will expend \$2,850,000 million for the loan and \$250,000 for the upgraded exterior façade of the Burlington Coat Factory Store. The Agency has funds available in account number 1200-80-0000-4294 in the amount of \$2,850,000.00 and \$250,000.00.

RECOMMENDATION

Staff is respectfully requesting that the Commission adopt the attached Resolution approving a loan agreement between the Community Redevelopment Agency and Commercial Development Renaissance Plaza, LLC.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

RESOLUTION NO. _____**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER**

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area (the "Project Area"); and

WHEREAS, Health and Safety Code Section 33444.5 provides that a redevelopment agency may loan funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within a project area; and

WHEREAS, Health and Safety Code Section 33391 provides that a redevelopment agency may purchase real property and any interests in real property; and

WHEREAS, Compton Commercial Development Renaissance Plaza, LLC (the "Developer") is in the midst of a major renovation of the Compton Renaissance Plaza Shopping Center (the "Shopping Center") which is located in the Project Area, including resurfacing the parking lot throughout the Shopping Center, implementing a new color scheme for the buildings in the Shopping Center, and implementing a new landscape design; and

WHEREAS, as part of this renovation of the Shopping Center the Developer will renovate or cause the renovation of the existing 86,489 square foot vacant building located at the northeast corner of Compton Boulevard between Alameda Street and Willowbrook Avenue formerly occupied by K-Mart, including undertaking new storefront designs, and will lease the renovated K-Mart building to the Burlington Coat Factory; and

WHEREAS, the Agency desires to make a loan to the Developer in an amount not to exceed \$2,850,000 million for the purpose of renovating the K-Mart building and upgrade the facade of the building, above the standard Burlington Coat Factory Store prototype; and

WHEREAS, the Agency Loan shall bear interest at the rate of 3% per annum and shall be for a period of ten (10) years. The principal of and all interest accruing on the Agency Loan shall be payable on the dates and in the amounts as provided in the Agency Note, and the Agency Note shall mature on January 15, 2021 (the "Maturity Date"); and

WHEREAS, the Agency desires to make a contribution to the Burlington Façade construction in an amount not-to-exceed \$250,000.00; and

WHEREAS, the Shopping Center Improvements and renovation and lease of the K-Mart building to the Burlington Coat Factory will improve the appearance of the Shopping Center, eliminate conditions of blight in the Project Area, generate additional sales and property tax revenues, create new job opportunities and serve as a catalyst for further development and redevelopment in the Project Area, thereby substantially improving the economic and physical conditions in the Redevelopment Project Area in accordance with the purposes and goals of the Redevelopment Plan for the Project Area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That Resolution Number 1,797 is hereby rescinded.

Section 2. That the Commission hereby authorizes the Executive Secretary to contribute an amount not-to-exceed \$250,000.00 to the construction of Burlington's façade.

RESOLUTION NO. _____

Section 3. That the Commission hereby authorizes the Executive Secretary to enter into a loan agreement and other related documents with the Developer in the maximum amount of \$2,850,000 million, for the purpose of renovating the former K-Mart building located in the Shopping Center. Such loan shall be secured by a subordinated deed of trust on the Shopping Center, shall have a term of ten (10) years and shall bear interest at the rate of 3% per annum. The monies to be disbursed by the Agency under the loan agreement and purchase agreement(s), described in Section 2, below, will be paid directly to Burlington Coat Factory upon the opening of business for the Burlington Coat Factory store in the former K-Mart building.

Section 4. That the Agency has funds available in account number 1200-80-0000-4294 for the anticipated expenditures referenced in Section 2 and Section 3.

Section 5. A certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 6. The Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this ____ day of _____, 2010.

CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

RESOLUTION NO. _____

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the _____ day of _____, 2010.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

