



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Executive Director of the Community Development
Commission

At its meeting held May 23, 2006, the Board took the following action:

39-C

Supervisor Burke made the following statement:

“Through two separate actions on October 20, 1998 and November 14, 2000, the Board approved \$800,000 in HOME Program funds to develop 21 very-low income multi-family housing units at 2418-2434 East El Segundo Boulevard, in unincorporated Willowbrook (the Project). The Disposition and Development Agreement (DDA) for this project is between the Community Development Commission (Commission) and Orange Tree Village Affordable Housing Partners, L.L.P. (Developer). The Developer is a joint venture between American Housing Construction, Inc., and Drew Economic Development Corporation.

“The Commission subordinated its lien position in May 2002 to California Community Reinvestment Corporation (CCRC) who provided permanent financing on the project in the original sum of \$652,069.

“The Developer failed to make timely monthly payments to CCRC, failed to obtain and pay for the property insurance on an annual basis, failed to pay the established impound payment, failed to obtain prior approval prior to entering into a contract with the current property management firm, failed to pay the property taxes as they became due, and failed to file and obtain a welfare exemption to reduce the annual tax liability on the project.

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“The Developer has defaulted on its loan with CCRC and CCRC has initiated foreclosure proceedings. CCRC has caused a foreclosure Trustee’s Sale to be scheduled for May 24, 2006, at which time the property will be sold at a public auction to the highest bidder.

“Should the Commission or Developer fail to remedy the default on the CCRC loan prior to the scheduled auction, the Commission would forfeit its legal interest in the property, which would have an adverse effect on the tenants and may result in the loss of the Commission’s monetary interest and/or reimbursement to the U.S. Department of Housing and Urban Development.”

Therefore, on motion of Supervisor Burke, seconded by Supervisor Antonovich, unanimously carried (Supervisor Knabe being absent), the Board authorized the Executive Director of the Community Development Commission to:

1. Pay California Community Reinvestment Corporation (CCRC) an amount up to \$150,000 in Tax-Exempt Bond Fees, to cure the default and stop the foreclosure auction/sale of 21 very-low income multi-family housing units located at 2418-2434 East El Segundo Boulevard, unincorporated Willowbrook; and
2. Amend the Commission's loan documents to recapture the amount paid to CCRC on behalf of the Developer plus interest on the same terms and conditions of the HOME Program loan.

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