

## *Redevelopment ?*

**B**ob Hatch, GRF Director, has a saying that he repeats over and over and over again. It is, in one form or another, *“well, let’s just do it and if it isn’t legal we’ll fix it later.”* It starts with ignoring the fact of CC&Rs and the governing documents. The timeline for redevelopment has already begun.....

A letter from Jeffrey J. Prestor, President, and Bruce T. Lehman of Brookfield Homes to Janet Price on October 16, 2000, labeled Re: Redevelopment Issues, stamped “received October 19, 2000 financial services” states in the first line of the letter: Subsequent to our meeting in early August, we have given consideration to the matters and circumstances you explained as pertinent and prerequisite to the commencement of long-term renovation and redevelopment of the Leisure World Community and Master Plan.”

Following that letter which goes on to discuss the need for builders, etc. there is a “long-range Planning-Initial Financial Report from PCM dated December 5, 2000 FOR: United Looks Ahead Committee. The first section of this 12 page report reads: “

### 1. SUMMARY OF SITUATION

The United Laguna Hills Mutual (ULHM, United or Mutual) cooperative manors constructed between 1964 and 19X9, are rapidly reaching the point where it is necessary to evaluate the building and infrastructure components and consider alternatives for future maintenance, refurbishment and/or replacement. General maintenance and refurbishment may be sufficient for some units, but most will have more expensive issues, such as infrastructure replacement, foundation and other structural problems and the potential triggering of code compliance issues.

It is also appropriate to consider the wisdom of continuing to provide conventional maintenance versus an in-depth approach to creatively addressing the obsolescence factor. Because the manors are dated and lack some common amenities, and many will require major structural repair over the next several

years, business-as-usual maintenance may not be the best alternative. And, investing in maintenance will not address the lack of sought-after amenities that have, or eventually will have, a negative impact on market value.

Based on your expressed desire to create a true long-range plan, Staff has endeavored to present what we believe to be the most significant issues and opportunities facing ULHM as well as rough estimates and costs and timelines.

In section 2 of the same report it states, Each of the analyses will require a significant amount of time from Staff and/or consulting engineers. Staff obtained a rough estimate of the cost for such analyses from Black and Veach, consulting engineers. (Here it is important to note that Jerry Storage, present GM of LWV is a former EMPLOYEE OF BLACK AND VEACH. Their estimate for the study was \$500,000. Does this stink of conflict of interest?)

In section 3 the penultimate paragraph reads in part “The lack of continuity on the Board of Directors all but guarantees that a long-range funding plan is destined to fail. The ability of succeeding Boards to alter any long-range plan makes implementation impractical.” (This lack of continuity or INSTITUTIONAL MEMORY is now working to GRF and PCM’s advantage and the willingness of certain boards and board members to be the puppets for PCM/GRF.)

Recommendations from “staff” include studies done by staff and outside consultants and how to finance the redevelopment. The final page of the report is ULHM Assessment Trends and shows the per manor per month assessment and year in which redevelopment will begin. That year was 2005. Do you hear the bulldozers yet? This report was prepared by Janet Price, Finance & Administration Director and it was reviewed by Milt Johns, General Manager; Jerry Storage, Maintenance Director; Pat McLaughlin, Controller and Betty Arrowchis, Financial Planning Manager.

An article printed June 12, 2000 under the byline of Jim Radcliff for the Orange County Register discusses How BOB RING (LW CITY COUNCIL) and “some” residents felt they would not have their children following as legacy owners unless “homes are razed and rebuilt in upcoming