

## REGULAR MEETING OF THE REDEVELOPMENT AGENCY

MAY 12, 2003

The Redevelopment Agency of the City of Costa Mesa, California, met in a regular meeting on May 12, 2003, in the Council Chambers, 77 Fair Drive, Costa Mesa. The meeting was called to order at 6:45 P.M. by Chairperson Steel, who led the Pledge of Allegiance to the Flag.

**ROLL CALL** Agency Members Present: Chairperson Steel  
Vice Chairperson Mansoor  
Agency Member Cowan  
Agency Member Monahan

Agency Members Absent: None

Officials Present: City Manager Roeder  
Executive Director Lamm  
Planning & Redevelopment Mgr. Robinson  
Agency Attorney Wood  
Director of Finance Puckett  
Management Analyst Veturis  
Executive Secretary Thompson

**POSTING** The Redevelopment Agency meeting agenda was posted at the Council Chambers and Police Department on Thursday, May 8, 2003.

**MINUTES** On a motion by Agency Member Monahan seconded by Chairperson Steel, and carried 4-0, the Minutes of April 14, 2003, were approved as written.

**OLD BUSINESS** None.

**NEW BUSINESS**

**Community Redevelopment Action Committee Status Report** Management Analyst Veturis reported the Community Redevelopment Action Committee (CRAC) was formed in December, 2001 to create an “vision statement” for the Westside. Civic Solutions, Inc. (CSI) was hired to facilitate meetings. In February, 2003, a tentative vision statement was created. In April, 2003, specific actions to be used to implement the “vision” were voted on; however, this activity was not completed. At the City Council May, 2003 meeting, the Redevelopment Agency was directed to discuss the status of the CRAC.

Management Analyst Veturis outlined current CRAC activities and the role of the Facilitator. It is anticipated the final report from the CRAC will be presented to the Redevelopment Agency in July, 2003. She outlined various options available to implement the desire of some CRAC members to continue to influence the process in order to bring about the “vision”: continue with current CRAC 39 membership to maintain continuity; or, continue with reorganized CRAC membership. Direction was sought with regard to the CRAC continuing as an ad hoc committee with a sunset date, or becoming an on-going committee with no sunset date. A specific scope for the CRAC was also requested.

Civic Solutions, Inc. has been paid \$91,831 through the end of March 2003 from a budget of \$105,490. CSI’s John Douglas confirmed all necessary contractual activities will be completed within budget. Agency Member Cowan asked Mr. Douglas where he thought the CRAC was at this time, and where it will be at the end of the contract on June 30, 2003. Mr. Douglas responded at the last CRAC meeting, members got

part way through the voting process on the proposed action items that would implement the “vision” report. It is hoped the CRAC can reach a consensus on those action items at the April meeting, and decide upon the process as to how those recommendations can be brought forward to the Redevelopment Agency. A number of the CRAC members want to be actively involved in drafting the vision report and its presentation. CSI is operating under its contract with the City and is committed to its obligations. He anticipated the report could be presented in July; however, when working with a large group in reaching consensus, it is difficult to maintain a strict schedule.

In response to Agency Member Cowan’s request for CSI’s recommendation concerning the future for the CRAC, Mr. Douglas said he thought the make-up of the CRAC represented all major interests in the study area. He did not feel it was in his purview to provide a recommendation. What CSI had tried to do is build the capacity of the CRAC to work together and learn process techniques. The process that followed is fairly unusual in terms of City business, as there was no chairperson or vice chairperson; Rober’s Rules of Order were not used but an alternative process loosely called “consensus building”. Where the CRAC goes from here is probably up to the Redevelopment Agency, the CRAC and staff.

Agency Member Monahan referred to the Fiscal Review in the staff report and wondered, should the report not be received before the contract expired, if there would be additional charges from CSI. Mr. Douglas assured him CSI would complete the Scope of Work and would not ask for additional monies should there be a run over the contractual deadline.

Agency Member Monahan thanked those members of the CRAC who had “stuck” with it. He “tipped his hat” to those who put in the time. Those are the members who know the issues, and he would be hesitant to open recruitment at this time; however, he was reluctant to choose those who should remain from the current CRAC membership. He suggested sending an invitation to continue to each member. Those who wish to continue, should attend the next Redevelopment Agency meeting and discuss the various options at that point.

Vice Chairperson Mansoor concurred with Agency Member Monahan; he felt it more appropriate that any decision be made after the report is received from the CRAC. He personally leaned towards an ad hoc committee without a facilitator.

Chairperson Steel agreed with both previous speakers.

Agency Member Cowan reported she had asked this item be agendaized because many comments were made that the CRAC was not working, etc. She, therefore, wanted an opportunity to be brought up to date. After talking with several CRAC members, she felt there was a general sense that each person had learned a lot through the process, even though the work may not be completed. As people come forward during Public Comment, she requested they give their view on the CRAC continuing, under what auspices and if with a facilitator.

Agency Member Monahan announced during the Redevelopment Agency Public Comment period speakers will be given five minutes instead of three minutes, as during a City Council meeting.

Chairperson Steel asked for notes from the CRAC and CSI so they can be discussed at the next Redevelopment Agency meeting. He liked the facilitators but felt the CRAC could organize itself and elect some officers. He hoped concentration could be on other issues and other areas beyond the Westside.

**PUBLIC  
COMMENT**

Judy Berry, 2064 Meadow View Lane, Costa Mesa, said she was not a member of the CRAC but attended meetings. She would like to be on a future CRAC which should be an ad hoc committee without a facilitator. It is the only forum for people to get together in order to understand issues, and not only to create a vision but how to accomplish the vision.

Martin Millard, 973 Harbor Boulevard, No. 264, Costa Mesa, a CRAC member, feels a lot of time has been wasted. He said he was concerned the report would make general comments rather than give specifics. The CRAC could become a commission with 9 members. There are a number of people on the CRAC who own property in the area but live in other places. Some are polluters. Things will not get done because people are hesitant to offend others on the CRAC. He saw fixing the Westside as being a matter of rezoning the bluffs. It is a highest and best land use principal, and people are willing to pay for a home with a view. He wants a more "hard head" approach, should the CRAC continue.

Agency Member Monahan announced the consultant's proposal for a study of rezoning of the bluffs will be discussed at the next City Council meeting.

Robert Graham, 3260 Dakota Avenue, Costa Mesa, a CRAC member, felt one success of the CRAC was a 75%-25% vote to go to City Council with a recommendation that a study be done concerning costs to extend 19<sup>th</sup> Street. Although Council Member Mansoor voted to hear the recommendation, other Council Members turned it down. Agency Member Monahan had reported that the Orange County Transportation Authority almost voted to fund a study of Gisler. It is time in both these cases that the costs and benefits to Costa Mesa be reviewed. He requested funding both studies.

Terry Breer, 956 Magellan Street, Costa Mesa, a CRAC member, outlined the process used with the CRAC. She felt the Planning Commission's choice of CSI was based on the process Mr. Douglas had described as "consensus building". This requires a focus on interest rather than on demand and positions. Goals must be clear at the onset. With experience as a mediator herself, she has some understanding of the process which was immediately met with hostility by some members of the CRAC with deeply entrenched positions. This caused the CRAC not to be productive at the onset because the process and the facilitators were blamed. The facilitators have not been fairly judged. The later meetings have shown the CRAC has come through and is more affective. She concurred the draft report should be finished by June 30.

Ms. Breer felt the Committee should be open to all CRAC members and other interested participants. Stakeholders should be specifically encouraged to join. Process will need to be discussed again. She asked if it is going to be a consensus building model again, and will there be a facilitator? The first task is to finalize the report. One report is being presented to the City Council regarding a study that will be helpful in resolving some tasks still to be resolved. She would like the CRAC to be involved in a more collaborate approach, working with the Planning Commission, City Council, Redevelopment Agency and other residents.

Mike Berry, 2064 Meadow View Lane, Costa Mesa, a member of the Westside Improvement Association and CRAC, said he agreed with most of what had previously been stated; however, if it is decided to continue, then just continue with the process. Do not start over again. "Lets keep asking the question until we get an answer we like" keeps evolving. CRAC members who dropped did not stop caring – they got tired. All issues need to be looked at and a consensus formed. Mr. Berry referred to street lights on 19<sup>th</sup> Street that were put in place without input from the CRAC. He asked that the people working for the City be listened to, even if what they say is not liked.

Bill Turpit, 1772 Kenwood Place, Costa Mesa, a CRAC member, felt the CRAC should continue but be limited to stakeholders. The CRAC is a diverse group that is discussing important issues and has developed a level of respect. If the Committee continues it should be representative with some administrative support of an impartial referee. Without this, gains made will be lost and the different elements will be driven away. He encouraged returning to the original concept of focusing on people who live, work, or own businesses or land on the Westside. He did not discount the importance of certain advocates or advisors who are not residents or involved in businesses on the Westside, because they have a lot to offer. A smaller group is needed with specific interests in the success of the Westside. He felt the report expected in July will be superficial; there has not been an opportunity to research all issues. He requested resources like existing reports/studies, etc., be provided by the City to assist in the understanding of some of the issues being proposed.

Dan Gribble, 925, 931, 935 West 18<sup>th</sup> Street, Costa Mesa, referred to a letter he and Michael Harrison had sent via email to the Redevelopment Agency, both of whom are CRAC members and owners of industrial property and businesses in the City. He read the letter which expressed frustration over size and make up of the present CRAC but supported the continuation of the CRAC if a smaller, focused group with "equal weighting of various interest groups". He emphasized there must be some power behind its recommendations, and suggested the CRAC become a "majority rule" because of its size and lack of balance. It seems other agendas are operating, independent of the CRAC input, i.e., rezoning of the bluffs. Although he lives outside the City, his employees live and work in Costa Mesa; therefore, he and others in similar situations have rights equal to those who live in the City.

Lisa Lawrence, 1014 W. 19<sup>th</sup> Street, Costa Mesa, a CRAC member, reported on what had taken place at the last two CRAC meetings. At the February meeting, CRAC members were surveyed for interest in holding an informal meeting without the facilitators. The meeting was held on March 13. Several presentations were made by members. Many CRAC members were fed-up with the lack of progress; however, expression of feelings was encouraged, and topics were discussed in an open forum. It was decided the group could continue without a facilitator, although the report should be prepared by them, but not before reviewed and agreed to by the CRAC. She recommended the CRAC continue in its present form.

Hildegard Gonzalez, 1932 Pomona Avenue, Costa Mesa, a CRAC member, said members agreed on issues: more landscaping, landscaping medians, getting rid of blight and charities, or not allowing more - and more friendly police. A large super market should be put in. The CRAC

meetings have improved and she hoped it would continue. She thought there was a gas leak recently because the pollution from the industrial area smelled so bad. The City needs a stronger City Council who listens to the people.

Don Elmore, 229 Wallace Avenue, Costa Mesa, a CRAC member, supported its continuation with membership as is, but in a committee format with a chairperson, etc. He emphasized the point that the CRAC is representative of the entire City, not just the Westside. Any recommendation put forth by the Committee should get adequate consideration.

Agency Member Cowan requested an update on items relating to the six months delay on the Project Area. Executive Director Lamm responded the process is moving forward at staff level. No organized meetings have been scheduled at this time. Planning and Redevelopment Manager Robinson reported staff and Urban Futures, Inc. (UFI) have focused on the economic study requested on the 19<sup>th</sup> Street Commercial District. A proposal has been received by UFI from a sub-contractor. Once that schedule is established, it is hoped to bring the other meetings in line. Agency Member Cowan requested the report on Costa Mesa Beautiful, Costa Mesa Safe be given to the CRAC Members, and staff give a brief presentation. City Manager Roeder agreed, and suggested the CRAC make a recommendation on the program to City Council.

**MOTION**

A motion by Agency Member Cowan to receive and file the report, was seconded by Agency Member Monahan for discussion. He asked if a motion was necessary to bring this item back in July. Executive Director Lamm said the consultants are supposed to deliver the report by June 30, 2003; however, both parties can agree to extend the contract. He presumed at the next Redevelopment Agency meeting, an amendment to the agreement will be provided extending the contract by thirty-to-ninety days. Agency Member Monahan requested a Letter of Interest be sent to each member concerning their continuing on the CRAC once the report is finalized in July. The making of the motion agreed to add this item to the motion, and also included that it be agendaized for the Redevelopment Agency meeting in July, 2003, or at the same time the report is presented. The motion passed 4-0.

**Approved  
Carried**

Executive Director Lamm confirmed for Vice Chairperson Mansoor the facilitator's contract will end June 30, 2003 but may be extended by mutual consent. The legality of the contract will be extended but not the compensation.

**Consideration  
of Budget  
Adoption for  
Fiscal Year  
2003 – 2004**

Executive Director Lamm reported this is the time to consider adopting the operating budget for Fiscal Year 2003-2004. The entire budget is \$3.872 million and a balanced budget is proposed. There are two categories: 20% of all money must be spent on promoting affordable housing (the Low & Moderate Income Fund). Pages 1-3 outline where the dollars will be spent on programs already approved. The remaining 80% is outlined on pages 4 and 5 and consists of the Tax Increment Fund and the Downtown Income Fund which is all outstanding debt until loans are paid off. An increasing amount of tax increment is collected but no new dollars spent on other than housing programs. The City's General Fund is paid back \$1,322 million each year by the Redevelopment Agency for General Fund expenses.

Vice Chairperson Mansoor stated he had talked with Director of Finance Puckett on this item, and was very impressed with its organization.

**PUBLIC COMMENT**

Sandra Genis, 1586 Myrtlewood, Costa Mesa, asked, of the past increment revenue, what proportion and percentage represent funds that would go to the Newport Mesa School District and General Fund.

Executive Director Lamm responded he could not provide an answer this evening because a considerable amount of calculation would be involved. Redevelopment tax dollars are based on increases in property tax from the original date on which the project area was established (1973). He confirmed for Agency Member Cowan that the debt payment by the Redevelopment Agency goes to the City's General Fund, and can be used for street improvements, etc., throughout the City.

John Hawley, resident of Newport Beach, asked if any effort had been made to refinance the Redevelopment Agency debt. He recollected at a previous meeting, Agency Member Robinson had suggested the Note be refinanced to a lower interest rate. Executive Director Lamm said the current debt is around \$13 million plus, and the City benefits greatly by the payments at an interest rate of around 8%. Staff was asked to look at refinancing at the current interest rate, and this is part of the information being presented to the Redevelopment Agency in the September commencement of the consideration of the new Project Area.

**MOTION Approved Carried**

On a motion by Agency Member Monahan, seconded by Agency Member Cowan and carried 4-0, Redevelopment Agency Resolution No. 232-03 was adopted approving the proposed Redevelopment Agency Budget for Fiscal Year 2003-2004.

**Amended Housing Deficit Reduction Plan**

Executive Director Lamm stated this item is part of the Budget process. Essentially, the dollars used to pay back the City were built into the Budget just adopted. Over the next six years, the Redevelopment Agency will have paid back the dollars from the 1980's that went into the Housing Program from the City. Director of Finance Puckett was available to answer questions.

Vice Chairperson Mansoor restated he had previously met with Director of Finance Puckett and was very pleased with the thorough job done.

**MOTION Approved Carried**

On a motion by Agency Member Cowan, seconded by Chairperson Steel, and carried 4-0, the Amended Housing Deficit Reduction Plan was approved.

**REPORTS**

**Executive Director**

None.

**Agency Attorney**

None.

**WARRANT RESOLUTION CMRA-311**

On a motion by Agency Member Monahan, seconded by Agency Member Cowan and carried 4-0, Warrant Resolution CMRA-311 was approved.

**ORAL COMMUNICATION**

Martin Millard, 973 Harbor Boulevard, No. 264, Costa Mesa, thinks the City is at a turning point. He suggested there is a unique situation where ocean breezes flowing over the bluffs pick up pollutants from some of the

industries which get distributed to the rest of the City; perhaps that is why a lot of the business owners live in other cities. Committees, etc. should be limited and not include those who live in other cities.

**AGENCY  
MEMBERS  
COMMENTS AND  
SUGGESTIONS**

None.

**ADJOURN**

There being no further items for discussion, Chairperson Steel adjourned the meeting at 7:55 P.M.