

UNOFFICIAL UNTIL APPROVED

**REGULAR MEETING OF THE REDEVELOPMENT AGENCY
MARCH 11, 2002**

The Redevelopment Agency of the City of Costa Mesa, Californian, met in a regular meeting on March 11, 2002, in Conference Room 1A of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order at 6:30 p.m. by Vice Chairperson Dixon.

ROLL CALL Agency Members present: Vice Chairperson Dixon
Agency Member Robinson
Agency Member Steel

Agency Members absent: Chairperson Monahan
Agency Member Cowan

Officials present: City Manager Roeder
Executive Director Lamm
Planning & Redevelopment Mgr. Robinson
Agency Attorney Wood
Neighborhood Improvement Mgr. Ullman
Management Analyst Penalosa
Executive Secretary Thompson

POSTING The Redevelopment Agency meeting agenda was posted at the Council Chambers and Police Department on Thursday, March 7, 2002.

MINUTES On a motion by Agency Member Robinson, seconded by Vice Chairperson Dixon, and carried 3-0 (Chairperson Monahan and Agency Member Cowan absent), the Minutes of February 11, 2002, were approved as written.

OLD BUSINESS

Redevelopment and Residential Rehabilitation (3R) Committee Membership Management Analyst Penalosa reported, at the Redevelopment Agency's December, 2001 meeting, four existing Members were reappointed to the 3R Committee. The Redevelopment Agency decided to postpone appointing one new Member and two Alternates until it had conducted individual interviews. This item was being returned as the vacancies could potentially leave the 3R Committee without a quorum to conduct its business. Management Analyst Penalosa described the options offered for consideration, and requested direction as to how to fill the vacancies.

MOTION Approved Carried On a motion by Agency Member Robinson, seconded by Agency Member Steel, and carried 3-0 (Chairperson Monahan and Agency Member Cowan absent), Alternate Lillian Gorbaty was moved up to full Member status and the two new applicants, Ted Crisell and James Milanese, were appointed as Alternates.

NEW BUSINESS

First Time Home Buyers Program Revisions Neighborhood Improvement Manager Ullman reported the Redevelopment Agency's First Time Home Buyer Assistance Program was adopted in 1998. Currently, the loan amount cannot exceed the lesser of fifteen percent of the home price or \$35,000, and the mortgage limit is \$300,700. A total of thirty-four loans have been funded since the Program's inception. Qualified buyer incomes cannot exceed one-hundred-twenty percent of the Orange County Area Median Income. Five loans were funded in the last fiscal year. Although advertised extensively, interest in the Program has diminished due, in part, to the rising prices of homes in Orange County combined with the City's very low purchase

price limit. According to a recent survey, the median price of homes in Costa Mesa is approximately \$340,000; thirteen-percent higher than the current purchase price limit of \$300,700. Neighborhood Improvement Manager Ullman reviewed the survey of home purchase programs offered by seven other cities. Staff recommended increasing the allowable purchase price to the median based on HUD methodology, to be adjusted from time-to-time, as the surveys are updated. The Program currently offers a second trust deed in the amount of up \$35,000. Three surrounding cities offer assistance of \$40,000, or above. If Costa Mesa increased its assistance amount to \$40,000, it could aid more moderate income buyers in their down payment needs. A list is not maintained of Program inquiries; however, inquiries are received daily.

PUBLIC COMMENT

Paul Bunney, 984 Linden Place, Costa Mesa, said Newport Beach, a very expensive community, was not included in the survey. Neighborhood Improvement Manager Ullman responded Newport Beach does not have a First Time Home Buyer Assistance Program because it has no redevelopment area and, therefore, no set-aside money.

MOTION Approved Carried

On a motion by Agency Member Robinson, seconded by Vice Chairperson Dixon, and carried 3-0 (Chairperson Monahan and Agency Member Cowan absent), staff was directed to raise the maximum allowable purchase price to the local median, to be adjusted annually as determined by HUD methodology; to raise down payment assistance to \$40,000; and, the Executive Director was authorized to make minor administrative changes to the Program.

Westside Redevelopment Action Committee Update

Planning and Redevelopment Manager Robinson recalled in February, 2002, the Redevelopment Agency appointed fifty-nine members to the Westside Redevelopment Action Committee (WRAC). As directed, staff had since sent letters to ten homeowner associations requesting membership in order to expand the focus of the WRAC.

An additional four letters requesting membership had been received, and staff was recommending appointment of these new applicants. Two other letters had been received today; however, it was suggested holding over any final membership appointments until the Redevelopment Agency's April, 2002 meeting, since the majority of the homeowner associations have not responded to staff's solicitation to date.

Planning and Redevelopment Manager Robinson reported, because the potential Redevelopment Area includes areas outside the Westside community, staff suggested changing the name of the WRAC to the "Community Redevelopment Action Committee" (CRAC).

Vice Chairperson Dixon questioned the membership number of fifty-nine. She thought there were more applicants at the February, 2002 Redevelopment Agency meeting and, in fact, had motioned to included all applicants as members bringing a total number close to seventy-nine. Chairperson Monahan had declined his support because he thought the number too large. Planning and Redevelopment Manager Robinson agreed to verify the number.

PUBLIC COMMENT

Residents of Costa Mesa, Martin Millard, 2973 Harbor Boulevard, No. 264, and Paul Bunney, 984 Linden Place, supported changing the name of the WRAC.

MOTION Approved

On a motion by Vice Chairperson Dixon, seconded by Agency Member Robinson, and carried 3-0 (Chairperson Monahan and Agency Member

Carried Cowan absent), staff's recommendations as listed on page 1 of the staff report were accepted: accept new members and change the name of the WRAC to "Community Redevelopment Action Committee".

Redevelopment Advisory Services Professional Services Agreement Planning and Redevelopment Manager Robinson reported staff was authorized to negotiate with Urban Futures, Inc. (UFI) for redevelopment advisory services. Although a proposal had been received; staff was recommending a continuance of this item to allow a review of budget implications and any budget adjustment that may be necessary to fund both the UFI and the CRAC facilitator contracts. Comments were being solicited to allow UFI to tailor its proposal more specifically. A resolution has not been formally drawn up to establish a Survey Area. Again, it was requested that this item be held over until the May, 2002 Redevelopment Agency meeting, following approval of UFI's contract in April 2002.

City Manager Roeder asked for the "bottom" line cost. Planning and Redevelopment Manager Robinson quoted \$270,000 and reiterated no tasks to be performed by the CRAC facilitator overlapped UFI; however, they would work together to address redevelopment issues and hold related workshops.

Jon Huffman, UFI, confirmed a task was included in the proposal to work with the CRAC and facilitator, plus preparation for and attendance at up to twelve meetings.

City Manager Roeder referred to the full time planner position approved in the current year budget for the Development Services Department, to primarily support the Redevelopment Agency in this effort. He asked how this juxtaposed with Task 10 (c) in the UFI proposal - store front office staff. Planning and Redevelopment Manager Robinson responded he saw this as a partnership with UFI in helping staff provide a more direct service link to the public. Neighborhood Improvement Manager Ullman had indicated an interest in using her staff to also support the store front office.

Agency Member Steel asked Mr. Huffman if UFI had applied for the CRAC facilitator position. Mr. Huffman replied in the negative. He reported the Scope of Work presented with the proposal is quite exhaustive, and outlined the participation proposed. If directed, he agreed UFI would amend the proposal to increase the level of participation to work with the facilitator. Agency Member Steel said he was disappointed UFI had not applied.

Agency Member Robinson referred to Task 26. Although she had not seen a provision, she asked if UFI would accommodate extra meetings and charge accordingly via an amendment, if there was a need. Mr. Huffman said the proposal contains a footnote stating extra meetings could be included on a cost and materials basis. A professional services fee sheet was included. Reports would be submitted as needed. He reiterated the process is long and a lot of opportunity exists for input.

Executive Director Lamm reported staff was pleasantly surprised that UFI's proposal included a full environment impact report to be done in-house. Often it is necessary to sub-contract out separately.

MOTION Approved Carried On a motion by Agency Member Steel, seconded by Agency Member Robinson and carried 3-0 (Chairperson Monahan and Agency Member Cowan absent) it was agreed to accept staff's recommendation to

continue this item to the Redevelopment Agency meeting of April 8, 2002.

REPORTS

Executive Director None.

Agency Attorney None.

WARRANT RESOLUTION CMRA-297 On a motion by Vice Chairperson Dixon, seconded by Agency Member Robinson, and carried 3-0 (Chairperson Monahan and Agency Member Cowan absent), Warrant Resolution CMRA-297 was approved.

ORAL COMMUNICATION None.

AGENCY MEMBERS COMMENTS AND SUGGESTIONS

Agency Member Steel Agency Member Steel recalled a vote to allow the Planning Commission to interview the facilitator applicants, and regretted such a move. He wondered why the Redevelopment Agency could not conduct the interviews itself. He said he would rather have elected officials deal with something so important as the Westside-Citywide redevelopment. Executive Director Lamm responded the direction was for the Planning Commission to conduct the interviews and make recommendations to the Redevelopment Agency. The Redevelopment Agency will then have the option to have the final contract brought back for verification.

Agency Member Robinson verified all the input and information the Planning Commission uses in making its selection will be given to the Redevelopment Agency; therefore, if there is an interest in seeing anyone, it will be the Redevelopment Agency's right to do so.

ADJOURN There being no further business, Vice Chairperson Dixon adjourned the meeting at 7:00 p.m.