

UNOFFICIAL UNTIL APPROVED

**REGULAR MEETING OF THE REDEVELOPMENT AGENCY
JUNE 11, 2001**

The Redevelopment Agency of the City of Costa Mesa, California, met in a regular meeting on June 11, 2001, in the Police Department auditorium, 99 Fair Drive, Costa Mesa. The meeting was called to order by Chairperson Monahan who led the Pledge of Allegiance to the Flag.

ROLL

Agency Members present: Chairperson Monahan
Vice Chairperson Dixon
Agency Member Cowan
Agency Member Robinson
Agency Member Steel

Agency Members absent: None

Officials present: Executive Director Lamm
Planning & Redevelopment Mgr. Robinson
Agency Attorney Wood
Neighborhood Improvement Mgr. Ullman
Director of Finance Puckett
Accounting Supervisor Young
Executive Secretary Thompson

POSTING The Redevelopment Agency agenda was posted at the Council Chambers and Police Department on Thursday, June 7, 2001.

MINUTES On a motion by Vice Chairperson Dixon, seconded by Agency Member Steel, and carried 5-0, the minutes of April 9, 2001 were approved with the following correction to each recorded motion: a 4-0 vote (Agency Member Cowan absent).

OLD BUSINESS None.

NEW BUSINESS

Appointment of Redevelopment And Residential Rehabilitation (3R) Committee Neighborhood Improvement Manager Ullman reported the 3R Committee serves in an advisory capacity to both the City Council and Redevelopment Agency on housing, community development and redevelopment issues. The Committee is comprised of eleven Members and five Alternates. Currently, there are two regular Committee Member and three Alternate position vacancies.

The newly revised Committee/Commission Handbook was adopted in March 2000. The Handbook states that Alternates will automatically fill Committee vacancies upon final approval by Council/Agency. Therefore, Alternates Timothy Cromwell and John Rule are scheduled to fill the two Member vacancies. Messrs. Cromwell and Rule advancement would result in five Alternate vacancies.

Options for consideration: leave Messrs. Cromwell and Rule as Alternates, appoint two of the three applicants to full Members or leave the vacancies open until the fall recruitment.

Neighborhood Improvement Manager Ullman responded in the affirmative to Chairperson Monahan's question if Messrs. Cromwell and Rule had been contacted. She reported Mr. Cromwell had not attended the last three meetings but it was believed he was interested in moving up to a full Member.

- MOTION** Agency Member Cowan moved to advance Alternate John Rule and new Rule/Brooks to Full Members and Lillian Gorbato to Alternate position. The remaining Alternate vacant positions to stay open until the October, 2001 recruitment. The motion was seconded by Vice Chairperson Dixon.
- 1st Substitute MOTION** Agency Member Steel's substitute Motion nominating Alternate Cromwell to full Member was seconded by Agency Member Robinson, and carried 3-2 (Cowan and Dixon voting no). Vice Chairperson Dixon stated she was sure Mr. Cromwell would make a fine Member of the Committee; however, she did not support the motion because of his absence from meetings, although she recognized he had called before hand. Additionally, he had not called to say he was interested in advancing to a full Member.
- 2nd Substitute MOTION** A motion by Agency Member Cowan was seconded by Vice Chairperson Dixon to fill remaining position with John Rule and leave all remaining Vacancies to remain
- Approved Carried**
- 3rd Substitute MOTION** Chairperson Monahan announced he would not support the previous Motion and proposed a substitute Motion appointing John Rule as full Member and the three applicants as Alternates. The substitute Motion Rule to full Member/ All Applicants as Alternates died for lack of a second.
- Died**
- Agency Member Robinson asked how Alternates participate in meetings. Neighborhood Improvement Manager Ullman responded that if there was no quorum present, then Alternates act as full voting Members.
- 4th Substitute MOTION** On a motion by Agency Member Robinson, seconded by Agency Member Rule to full Member/ Steel, and carried 3-2 (Dixon and Cowan voting no) John Rule was All Applicants as Alternates appointed as full Member and each of the three applicants as Alternates at this time.
- MOTION Approved Carried**
- Consideration Of Fiscal Year 2001-2002 Budget** Executive Director Lamm opened the annual meeting to consider the fiscal year 2001-2002 Redevelopment Agency budget, a separate legal entity from the City government. The budget consists of three funds: Low/Moderate Housing, Tax Increment, and Downtown Project. He outlined highlights, and stated a presentation was planned for this meeting; however, it had been decided to respond to questions relating to all three agendized Finance items: Budget; Amended Housing Deficit Reduction Plan; and Review of 2001-02 Statement of Investment Policy.
- Amended Housing Deficit Reduction Plan** Chairperson Monahan asked if the proposed project manager position would be a limited term contract position. Executive Director Lamm responded it is not a limited term classification; however, the position is fully funded by the Agency. The position could be terminated should the funds be no longer available. The job description will be written and returned to the Agency for consideration when the position is needed.

**Review of
2001-2002
Statement of
Investment Policy**

Agency Member Robinson questioned the deficit noted in the Tax Increment Fund. Director of Finance Puckett introduced Accounting Supervisor Bobby Young who recently joined his staff, and deferred to Mr. Young who responded reduction of the payment of the Promissory Note in the current year will reduce the revenues to the City. The completion of the Triangle Square Agreement responsibility following fiscal year 2002-2003 and repayment of the advance from the Low/Mod Fund, which increases in 2002/03 through 2004/05, also has an impact. The reduction of repayments in the current year in the Tax Increment Fund would reduce its payment; any remaining interest would be capitalized into the principal. Once the Agency is able to repay both principal and interest then excess revenue becomes available.

**MOTION
Approved
Carried**

On a motion by Agency Member Cowan, seconded by Vice Chairperson Dixon, and carried 5-0, Resolution No. 223.01 was adopted approving the Budget for Fiscal Year 2001-2002; the Amended Housing Deficit Reduction Plan was adopted; and Resolution No. 224.01 was adopted approving the 2001-02 Statement of Investment Policy and authorizing the Treasurer to invest and reinvest idle moneys of the Costa Mesa Redevelopment Agency in accordance with the 2001-02 Statement of Investment Policy, and authorizing said Treasurer to delegate to the Assistant Director of Finance the carrying out of any such tasks.

**Feasibility for
Westside
Redevelopment
Area**

Planning and Redevelopment Manager Robinson reported the interview sub-committee met with three consultants and decided to retain the services of Urban Futures, Inc. (UFI) to prepare a feasibility study of the Redevelopment Project Area. He outlined costs involved, and reported \$25,000 was allocated in the Redevelopment Agency budget for fiscal year 2001-2001 and a budget adjustment transferred an additional \$27,800 to complete this project.

Agency Member Cowan asked what criteria was used to determine UFI was the most qualified candidate. Vice Chairperson Dixon, a member of the sub-committee, gave her personal reasons for the choice. Agency Member Steel, also a member of the sub-committee, concurred with Vice Chairperson Dixon's comments. He emphasized direction would come from residents to the Redevelopment Agency, and then to UFI.

Agency Member Robinson said UFI was her preferred choice and asked if the sub-committee had been comfortable that UFI had scheduled only three community meetings. She noted its willingness to do more at a cost to the Agency. Vice Chairperson Dixon answered the sub-committee's focus was on what areas could be designated for redevelopment, what defined "blight", and what could be done for the City through the feasibility report. She felt if the community becomes involved too soon without enough information, no one would be happy.

Neighborhood Improvement Manager Ullman reiterated that the consultant should seek ideas from the community; the first phase of the feasibility study should concentrate on an education process for both the Redevelopment Agency and the community. There are many myths associated with redevelopment which is a financial tool. One of UFI's primary tasks is to involve the community in order to get questions answered, lay the groundwork and document "blight". Agency Member Robinson agreed that this was the perspective she was coming from, and felt two meetings was insufficient to get the community on board in the process.

Vice Chairperson Dixon believed two meetings was considered a good start. If additional meetings were necessary, additional funding was necessary. Neighborhood Improvement Manager Ullman responded it was permissible to go ten percent over the professional services agreement (PSA) by processing a contract amendment with the Redevelopment Agency's approval.

Planning and Redevelopment Manager Robinson confirmed additional workshops and study sessions are planned specifically for the Redevelopment Agency, the Planning Commission and the Redevelopment and Residential Rehabilitation (3R) Committee, and will be open to the public.

Agency Member Cowan asked for clarification of Task 11 of the PSA, specifically "coordinating committee". Planning and Redevelopment Manager Robinson replied this particular reference relates to a committee perhaps consisting of internal technical staff, or the Redevelopment Agency could appoint an advisory committee to review this portion of the process. It is not the "project area committee" which will be involved at the next step in the process.

Agency Member Steel recommended that within each target area a committee be established representing homeowners, the electorate and businesses in order to get grass root feedback. Planning and Redevelopment Manager Robinson responded a feasibility study is necessary initially because it is quite technical at this point. This suggestion is certainly appropriate when it is determined a redevelopment area meets technical definitions and requirements.

**PUBLIC
COMMENT**

Martin Millard, 2972 Harbor Boulevard, Costa Mesa, expressed concern with the label "Westside Redevelopment Area". In his opinion, it psychologically eliminates areas, and suggested a name that is more general, like "Costa Mesa Redevelopment".

Tom Egan, 1893 Parkview, Costa Mesa, said he had reviewed all proposals and agreed with the choice of UFI. He referred to Task 7 of the PSA, a projection of funding, and said the consultants will not have sufficient guidance in future revenues. He highlighted his own 3 concepts: Westside Specific Plan, a resort on the bluffs and Costa Mesa First, plus revenue generated by each.

Agency Member Steel asked what Mr. Egan was advocating. He responded he was just alerting people to the problem of going ahead without knowing where to go. Agency Member Steel suggested Mr. Egan discuss his ideas with UFI, and then let the Redevelopment Agency know if his ideas had changed.

Executive Director Lamm reiterated that the purpose of the feasibility study is for the consultant to look at the most conservative projection of future growth, development and income from property taxes. Decisions should not be made on what "may" happen. He stressed the importance of testing under the worse case scenario to determine financial feasibility.

Chairperson Monahan introduced Jon Huffman, Executive Vice-President, Urban Futures, Inc., who reiterated the complexity of the process; and emphasized, at this time, the City is embarking only on a feasibility study

and not actual redevelopment. Once the City decides to proceed, there will be many months to glean knowledge on the process and fiscal benefits, etc. All options will be reviewed, and UFI will give its best guess as to what will be the best way to expand the existing redevelopment project area or to create a new redevelopment project area under the authority of the new redevelopment plan. Concerning tax increment funds, rates of growth, etc., all figures are projections; UFI is not a land use or real estate economists firm. At some point, experts can determine best land uses to fit the various parts of the redevelopment project area. As these uses are exposed, it will be possible to review the growth of property tax dollars. He highlighted what information UFI will provide in the feasibility study, a process that will take approximately ten-weeks.

Mr. Huffman stated if the community demands more time than anticipated, he encouraged it and fully supported pro-activity in the community. Mr. Huffman voiced appreciation for the opportunity to work with the City on this project.

Paula Litten, 1161 Gleneagles Terrace, Costa Mesa, displayed an enlarged aerial view of the Westside. She pointed out the close proximity of the area to the beach, and made comparisons to Newport Beach and Huntington Beach. She supported Costa Mesa being an upscale coastal city.

Martin Millard, 2972 Harbor Boulevard, Costa Mesa, referred to Mr. Huffman's comment concerning existing land use on the Westside. He questioned if the projections are based on existing industrial or consideration of rezoning the bluffs to residential.

Chairperson Monahan responded this is an item for discussion by the City Council. Rezoning may not come into play in the redevelopment plan. Mr. Huffman stated it would depend on what the long term land use provision might be and how such a move would play into the tax increment growth. If it were something that would happen mid-term (five to ten years) it would be seriously considered in the projections.

Alex Hernandez, 870 West 19th Street, Costa Mesa, voiced concern about the under grounding of utilities along the 19th Street and Placentia corridor delayed by Southern California Edison (SCE). He understood the City was required to pave the road by year 2003, and questioned if the utilities would be in place by that time. He had heard that it would take three to four years for SCE to do its report. A continued SCE delay could perhaps result in the new surface being torn up later. Chairperson Monahan responded staff had tried to coordinate those projects with SCE. It appeared SCE was on board but all its underground programs had since been frozen. Staff is well aware of the situation and will do whatever it can to keep the projects synchronized.

Planning and Redevelopment Manager Robinson announced if it was decided to hold two additional meetings in connection with the Feasibility Study, a budget adjustment could be done to allot the money to increase the UFI contract by \$1,700 (\$850 per meeting) for a revised total of \$37,875.

MOTION
Approved
Carried

On a motion by Agency Member Robinson, seconded by Agency Member Steel, and carried 5-0, staff was directed to award a professional services agreement with Urban Futures, Inc. for the Redevelopment Project Area Feasibility Study in the amount of \$36,175 plus an additional \$850 for one

additional community meeting.

Agency Member Cowan said she had heard several people talk about defining a goal/vision for the entire City. She thought it was absolutely essential to go forward now with the feasibility study; however, she wanted to ask staff to return to the next Redevelopment Agency meeting with various scenarios for beginning the process now, in order to find out what is feasible to move forward with redevelopment project areas. Conversations have begun about community goals/vision for the entire City. Without this step, the City will be where it is with the Westside Specific Plan.

Executive Director Lamm agreed to return to the Redevelopment Agency's July meeting with options. He interpreted Agency Member Cowan's request as: start now to generally apply the scope of what might be a preliminary redevelopment plan; the plan will ultimately identify what is desired. Staff and UFI will provide an outline. Agency Member Cowan emphasized it is necessary to know what is feasible before going community-wide.

Agency Member Steel referred to Mr. Millard's earlier comment concerning the renaming of the Westside Redevelopment Project Area, and asked if another name could be developed to encompass the full City. He suggested Costa Mesa First as proposed by Mr. Egan earlier. Executive Director Lamm responded any name could be used.

REPORTS

Executive Director None.

Agency Attorney None.

WARRANT RESOLUTIONS CMRA-287 AND CMRA-288 On a motion by Agency Member Cowan, seconded by Vice Chairperson Dixon, and carried 5-0, Warrant Resolution CMRA-287 was ratified and Warrant Resolution CMRA-288 was approved.

ORAL COMMUNICATION Eleanor Egan, 1893 Parkview Circle, Costa Mesa, referred to Agency Member Cowan's comment about the need for the City to set goals with a consensus view. She suggested the formation of a committee representing all the involved neighborhoods in order to begin the formulation of a redevelopment plan and development of ten to twenty year goals for the City.

Mark Abrams, 174 Broadway, Costa Mesa, voiced concern about an article in the Orange County Register referring to Mayor Cowan's comments while attending a meeting at St. Joachim's Church on a grass roots effort to create rent control in Costa Mesa. He felt as taxpayers, residents should have been invited to the meeting and rent control shuts off available space to rent. He felt people who cannot afford rents being charged are forced to live in other areas and work in Costa Mesa.

Martin Millard, 2973 Harbor Boulevard, Costa Mesa, concurred with Mr. Abrams' comments. With a public official present, the meeting at St. Joachim's Church should have been noticed for public participation. He believed people did not have entitlement to live in Costa Mesa; they should move elsewhere if they cannot afford to live in the City.

Agency Member Cowan responded Council Members are invited to many events; she would be pleased to invite anyone to the twenty-twenty five meetings per week she attends in her capacity as Mayor. She would not say she was misquoted; however, her statement was she did not necessarily agree with rent control. Anyone who attended the meeting will stand by this statement. She reported on a personal experience concerning her parents living in Santa Monica, a city that practices rent control. She is not educated on the full ramifications of rent control and, therefore, is willing to listen and learn about the subject as well as other rental issues. It is incorrect to say she thought Costa Mesa should have rent control; she does not believe that. Housing is an issue throughout Southern California. Truly affordable housing is available in places such as Apple Valley; however, that is traded off by commuting. A two-bedroom apartment in Costa Mesa costs \$1,495 per month, more than her mortgage payment. There are renters in the community who are not “very poor/ working poor” but middle income who had two to three rental increases in the last ten months. If this were her own situation, she would lose her house because the mortgage payment would have increased \$300 per month.

Agency Member Cowan recounted she had informed the housing forum group that she was willing to learn with them about housing/rental issues. If anything develops regarding these concerns, it would have to be the result of a grass roots effort. If such efforts come forward through that method, that is where it is. She said she would listen and learn with everyone else, and hear the stories of those people who have had rental increases over this past year.

**AGENCY
MEMBER
COMMENTS
AND
SUGGESTIONS**

**Agency Member
Steel**

Agency Member Steel reported he had a very interesting first-time visit to the Job Center and appreciated the participation of Police Chief Snowden, Administrative Services Director Hayman and Recreation Manager Mancini, and thanked City Manager Roeder for making the arrangement. Although Agency Member Steel found the visit educational, he said it did not change his view on the Job Center.

ADJOURN

There being no further business, Chairperson Monahan adjourned the meeting at 7:47 p.m.