

UNOFFICIAL UNTIL APPROVED

**REGULAR MEETING OF THE REDEVELOPMENT AGENCY
OCTOBER 8, 2001**

The Redevelopment Agency of the City of Costa Mesa, California, met in a regular meeting on October 8, 2001, in the Police Department Auditorium, 99 Fair Drive, Costa Mesa. The meeting was called to order at 6:33 p.m. 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: City Manager Roeder
Executive Director Lamm
Agency Attorney Wood
Planning & Redevelopment Mgr. Robinson
Executive Secretary Thompson

POSTING The Redevelopment Agency agenda was posted at the Council Chambers and Police Department on Thursday, October 4, 2001.

MINUTES On a motion by Agency Member Robinson, seconded by Vice Chairperson Dixon, and carried 4-0 (Agency Member Cowan abstained as she was not present at the meeting), the minutes of August 13, 2001 were approved as written.

OLD BUSINESS

Redevelopment Feasibility Study Planning and Redevelopment Manager Robinson reported in June, 2001 Urban Futures, Inc. was contracted to provide a feasibility study in order to create a new redevelopment project area. The study has been completed, distributed and made available to the public. No action is being requested this evening; however, Jon Huffman and Richard Tillberg of Urban Futures, Inc. will make a presentation and offer an opportunity for questions, comments, etc. Staff is available to meet with individual members of the Redevelopment Agency if additional time is required. It was originally planned to return to the Redevelopment Agency in November 2001, with recommendations for formal adoption of a Redevelopment Project Area; however, because of other City project commitments, this will be delayed. The next subsequent action would be to go out with a Scope of Work to prepare a Redevelopment Plan.

Planning and Redevelopment Manager Robinson announced the feasibility study is available for review by the public at the counter on the second floor of City Hall during regular office hours or copies can be purchased for \$5 each.

Chairperson Monahan reiterated this meeting would be an opportunity for questions and discussion and no action was required. He personally had not had an opportunity to review the feasibility study in depth.

Urban Futures, Inc. Jon Huffman Jon Huffman reported the company entered into a contract with the Redevelopment Agency in June 2001, to provide a feasibility study.

**and Richard
Tillberg**

He outlined the process by which input had been obtained from staff and the public and which is reflected within the document. He reviewed the existing Redevelopment Project Area, etc., and the steps involved leading to the adoption of a Redevelopment Plan.

The feasibility study was produced to evaluate the fiscal and legal feasibility of expanding the Redevelopment Agency's authority in other parts of the community, including some or all of the 16 planning areas within a Redevelopment Project Area. This could be achieved by either amending the existing Redevelopment Plan or adopting a new Redevelopment Plan. All actions are very specific, and implemented through the California Community Redevelopment Law (CCRL).

The feasibility study concludes that a Redevelopment Plan adoption/amendment should be financially viable. There are approximately 872 acres of land which would likely qualify for inclusion within a new or expanded Redevelopment Project Area because they meet with the three required criteria pursuant to the CCRL: blight, urbanization and warrant inclusion for effective redevelopment. Mr. Huffman identified the Probable Redevelopment Area parameters by streets.

Adoption of the entire Probable Redevelopment Area could generate through tax increments between \$141.2 and \$248.9 million (assuming a 3% annual growth rate in assessed values) to the Redevelopment Agency over 45 years. (Table 9 in Study). Of these funds, between \$29.2 - \$52.0 million would be diverted from the City's General Fund; however, a portion could be passed back to the City at the direction of the City Council. The community is projected to realize a net increase in total community development revenues of between \$112.0 and \$196.9 million over the same 45 year period. Once a Redevelopment Project Area is established, a series of projects designed principally to eliminate blight and improve and/or preserve very low-, low- and moderate-income housing within the community can be implemented. Twenty-percent of gross tax increment must be used in accordance to CCRL Section 33413 which establishes the requirements relating to affordable housing.

Mr. Tillberg reviewed Table S1, Defensibility Matrix, which outlines the economic, physical and infrastructure of each of the 16 possible planning areas.

A brief "walk-through" of each feasibility study chapter was presented. Sources used to glean information for this report were essentially secondary. The planning areas set out had no history as no analysis of these areas had been previously done. Mr. Tillberg reported Urban Futures, Inc. had taken other geographies, and weighed that information to zero in on the geography provided. He addressed the Redevelopment Agency's authority to use eminent domain which could be reinstated in the existing Redevelopment Plan, and adopted in the Probable Redevelopment Area for all parcels in both Areas, reinstated and adopted for selected land uses, or elected not to provide such authority at all.

Mr. Huffman reported the Proposed Redevelopment Project Area has conflicting land-use and varying densities. Not every parcel needs to be deemed blighted to be included. Urban Futures, Inc. recommended an amendment to the existing Redevelopment Plan rather than adoption of a new Redevelopment Plan for the purpose of adding area. The conclusion

of the study is that blight, urbanization and necessity are present. Based on lack of compelling evidence, it is unreasonable to expect private enterprise or governmental action to alleviate or reverse these conditions without redevelopment. Mr. Huffman reiterated the next step would be administrative action to further the process. This would involve defining a Scope of Work to establish a calendar of events, etc. An anticipated timeframe would be eighteen to twenty four months to complete the complicated and time consuming adoption process.

Various charts and tables were displayed via overhead projection and reviewed by Messrs Huffman and Tillberg.

In response to Chairperson Monahan's query, Mr. Huffman stated Urban Futures, Inc. would be available to meet with Members of the Redevelopment Agency before its next meeting.

Agency Member Cowan referenced a report which was anti-redevelopment; she found, however, by reading its contents, she was able to formulate relevant questions. Within Table S1 Defensibility Matrix of the feasibility study, the existing Project Area is referenced as "high indication of pervasive blight". She expressed concern that the City was not able to improve a smaller Project Area over twenty years, and wondered what were the expectations to turn around a much larger area. The current Redevelopment Agency is unable to pay back its debt to the General Fund. She questioned the tax increment projections and believed school districts and other governmental agencies will lose out on tax increments to come into a redevelopment area. She requested a thorough audit of what the tax increments were for the existing Project Area, how did those come to fruition, what has been lost to the General Fund and what, in both the existing and the Proposed Project Area, would be the lost to the School District, which she understands is suffering. She also needs a better understanding of CCRL Sections referenced within the feasibility study. Figure 5, Median Age of Housing Units, reports her own home as being built in 1975; however, a flyer states 1953-55 as the opening of this community. Table 9, Projected Tax Increment Generation, indicates net gain to the community; Agency Member Cowan questioned what is the percentage and where do the funds go? In the current Project Area, she believes the majority of funds go to reduce debt.

Agency Member Cowan asked when the best time to establish a redevelopment area for best return of tax increments. In her opinion, it would be better to establish it at a low point of the real estate market. The existing Redevelopment Project Area was created when the real estate market was high, then a recession followed and, eventually, the market came up.

Vice Chairperson Dixon questioned the sequence of references within the Study. Mr. Huffman responded the figure is placed after the time it is first mentioned in order to make the maps large enough to be legible. Sixteen planning areas were discussed. The exhibit will be found any time after it was first referenced. It was a problem to make it simpler.

Chairperson Monahan directed Planning and Redevelopment Manager Robinson to schedule a meeting between Agency Members and Urban Futures, Inc., as there had not been time to review the Feasibility Study thoroughly.

Vice Chairperson Dixon asked if the feasibility study contained alternatives to redevelopment. Mr. Huffman responded this was not part of the assignment.

Agency Member Cowan asked if some areas identified as minimal blight could be improved by a property maintenance ordinance, as redevelopment could let some property owners “off the hook”. In her own residential area, approximately a quarter of property owners have implemented home improvements. Perhaps some issues could be addressed by current owners being made responsible for maintaining their properties to community standards. She also has a concern how “blight” is determined in the areas that provide multi-unit housing for the working poor and those just starting out. She would like to improve commercial interest throughout any redevelopment process. It is economical development that makes tax increments work because there is no property tax increase; however, she does not want to force out housing by emphasizing commercial development.

Agency Member Robinson thanked Urban Futures, Inc. for doing exactly what had been requested – to provide a feasibility study in order to inform the Redevelopment Agency what is possible in the community. She thought some of the questions and concerns raised by Agency Member Cowan would be better left to the decision makers if it is decided to go forward, and do not relate to the task in hand.

Agency Member Steel congratulated Urban Futures, Inc. for an excellent report.

Chairperson Monahan announced recommendations would be reviewed before making the decision to go forward with redevelopment. He hoped the locations of the most needy areas are identified, comparisons of one to another are provided, and suggestion made as to what might be accomplished in those specific areas.

He then opened up the meeting for public comment, noting copies of the feasibility study are available for review or to purchase at \$5 per copy.

Public Comment

Tom Egan, 1893 Parkview Circle, Costa Mesa, questioned what conflicting land use is, as mentioned by the consultants; in his opinion, this may not necessarily be a bad thing for the Westside. He was unhappy with starting out on this project when there was too much else going on at this time, i.e., Home Ranch, General Plan review, etc. He was uncomfortable the lack of public involvement.

Chairperson Monahan responded the next step was a Scope of Work, and the Redevelopment Agency had up to twenty-four months to narrow the area down. At that time, there would be ample public outreach. He was unclear what Mr. Egan was looking for and asked he email suggestions direct to him at Gmonahan@ms.com which he would pass on to everyone next week. Mr. Egan said he was continually surprised that big decisions were made without his knowledge as a citizen. He was unable to respond at this time to Agency Member Steel’s request to identify an example of such decision making.

Agency Member Robinson recapped the only major decision made to date was to go ahead with a feasibility study. That was made some time ago, in Mr. Egan’s presence.

Joel Faris, address not given, stated he would appreciate anything that could be done on the Westside. He indicated on a map an area leading to a park that lacked sidewalks. He said it is hard to provide housing for the poor because there is no real money in it. About a year ago, there was discussion about “vision” for the City. Vice Chairperson Dixon and Agency Member Cowan responded a “vision” had not been determined. Mr. Faris said there were opportunities to improve the Westside other than through redevelopment; however, he would appreciate whatever the Redevelopment Agency could do, as long as something was done. He would even accept “band aiding” occasionally.

Bill Turpit, 1772 Kenwood Place, Costa Mesa, referred to Mr. Egan’s remark about community input. He believed at the August 2001 Redevelopment Agency meeting, the consultants made a presentation on the feasibility study, and a lengthy conversation ensued regarding the role of the community. At that time, Mr. Egan presented a list of ways the community should participate but it was determined to wait until the feasibility study was done. Now, however, several other issues were being raised. Present in the audience this evening are landlords, business owners, etc., representing all the groups that should be making decisions about the Scope of Work and other actions to be taking place. There has not been adequate time to review the feasibility study for discussion and community input. Mr. Turpit also disagreed with charging the community \$5 for each copy of the feasibility study which he felt should be with the community, not at City Hall. He suggested copies be made available at public libraries and a couple of key school locations for convenience.

Robin Leffler, 3025 Samoa, Costa Mesa, stated it made sense to complete the General Plan update before the Home Ranch General Plan amendment and redevelopment action, and suggested a comprehensive, not a technical, update.

Paul Frech, owner of a business located at 2090 Placentia Avenue, Costa Mesa, and president of group of over 100 repair shop-owners who are very concerned about what redevelopment means to them. He suggested the feasibility study be available on the website and requested his name be placed on a list to participate in any public discussions.

At Chairperson Monahan’s request, Executive Director Lamm recapped the process taking place within the next thirty to sixty days. The Scope of Work is basically for the consultants to respond to; it says hire a consultant to hold community meetings, work with those communities to put together a plan, then present that plan to the Redevelopment Agency. The process could take up to twenty-four months. A Project Area Committee (PAC) is also formed. All the necessary time is taken before a Redevelopment Plan is presented which generally covers goals to be achieved in that area for the next forty-five years; as examples: community improvements, utilities placed under ground, housing loan programs, etc., and what the law provides if redevelopment forces relocation. It is a very lengthy process with no official action required for many months. In thirty-to-sixty days, staff will present a map and general Scope of Work which states a consultant is needed to work with the community, and then return with a broad based plan. At that time, the PAC is formed. A consultant’s fee could be between \$150,000 – 300,000. The feasibility study is first completed to see if it is legally viable to proceed. Areas can be added or subtracted; in eighteen to twenty-four months hence, the ultimate result could be a redevelopment plan that

encumbrances one block with a few recommended items. Nothing officially happens until the very last joint City Council/Redevelopment Agency public meeting, at which time the City Council adopts the Redevelopment Plan.

Chairperson Monahan recapped the purpose of the feasibility study. As the process moves forward, a more microscopic review takes place. Although the area is large at this point, it could be reduced at any time.

Mr. Tillberg responded to Vice Chairperson Dixon question concerning an in depth review of areas by saying Urban Futures, Inc. looked at every street in each parcel in a block level analysis. Each individual parcel was not rated. It would be recommended that this is done once an area is defined for redevelopment.

Special Counsel, Celeste Stahl Brady, of the law offices of Stradling, Yocca, Carlson & Rauth reported the process can take as long as is wanted. Following the public hearing, if there are objections to be addressed, this would involve additional time. The Scope of Work is, in essence, to hire a consultant; is a very labor, staff intensive process. A consultant does a parcel-by-parcel analysis in preparation of an administrative record which is evaluated by a court of law for an ordinance adopting the Redevelopment Plan or an amendment. The feasibility study has identified many areas that need more discussion and evaluation, not only with the community but every department within the community in order to establish that redevelopment is the way to correct problems that meet CCRL criteria or if it is even feasible to proceed. Many staff members will need to work full-time on this process plus an outside consultant must be hired to commence the process. Establishing a survey area is only the first step. Every boundary decision involves the Planning Commission as well as the City Council/Redevelopment Agency. The process to establish a PAC is also a lengthy one. In addition, it is necessary to review how the Fire, Police, Code Enforcement and Public Services Departments will be impacted. The existing Redevelopment Area has been in place for twenty years and mainly focused on the Harbor-19th Street area. The blighted or pervasive blighted areas remaining relate to areas that have not been touched before. The layers upon layers in the process are very intensive.

Agency Member Robinson stated the feasibility study was the Redevelopment Agency's attempt to see what it was getting into, and what will show up once the process begins. It is similar to "peeling an onion", from the very top level. She proposed the Redevelopment Agency take time to go through the feasibility study and have a session to discuss if redevelopment is something to pursue. With everything else going on at this time, it might be decided to deal or not to deal with so huge an undertaking.

Vice Chairperson Dixon referred to Mr. Faris' question concerning "vision" and apologized if she had insulted him early when she responded to his question relating to the Redevelopment Agency's vision for the Redevelopment Project Area. To clarify her comments, she reported approximately ten months ago, it was decided not to go ahead with a "vision" because there was concern there would be so many "visions" it would, in itself, become another project. A couple of months ago when committees were discussed, it was decided not to form a committee until the feasibility study was received. The minutes will show if a committee was going to be formed before moving ahead. She agreed with Agency Member Robinson that there was a lot going on with the Home Ranch

project, she did not see enough time to thoroughly review the feasibility study.

Chairperson Monahan suggested a noticed informal session to go over the feasibility study, and bring it back for Scope of Work action in January, 2002. Vice Chairperson Dixon and Agency Member Robinson supported the suggestion; Mr. Huffman stated there would be no problem to the process waiting a few months while this took place.

Agency Member Cowan stated she felt it was appropriate to extend time for the informal session and also convene the committee. The minutes of that meeting a couple of months ago will clearly state who Mr. Egan and she had suggested be appointed. The committee should have an opportunity and specific charge to read the feasibility study and then come back and talk with the Redevelopment Agency in broad strokes. This has to be a community driven process; to go forward without community input is futile.

Agency Member Steel said, as appointed officials, his understanding is the charge is already there. He was in favor of meeting on the feasibility study and having public input for each of the sixteen areas, in spite of the problems with schedules. He felt the public would be in support if the process was kept simple and on schedule.

Agency Member Robinson referred to Agency Member Cowan's comment, and again proposed a meeting similar to a study session to discuss if it is feasible to move to the next step of this project. She would like to hear from the Redevelopment Agency members themselves before hearing from a committee. At a subsequent meeting have its input when it is discussed if it is a viable project.

Vice Chairperson Dixon said she agreed with Agency Member Robinson to a point; however, she supported Agency Member Cowan's suggestion that the committee read the feasibility study and attend a study session with the Redevelopment Agency to brainstorm. It was very important to her, personally, to have outside opinions in order to make good solid decisions.

Agency Member Robinson responded she did not think she was proposing anything different to the usual format: a study session to discuss items on the agenda, then a public hearing. She proposed the Redevelopment Agency have discussions first, and then have public input.

Chairperson Monahan again reiterated redevelopment is a huge step. He asked over the next two to three months and before going to the next step, the Redevelopment Agency look into its deep feelings to see if it wants to go forward with redevelopment. As difficult as it may seem today, it is nothing compared to down the line. Urban Futures Inc. has returned with the feasibility study and recommendations. It is for the Redevelopment Agency to decide to file the study, accept the recommendations or make changes. He suggested three steps: a) meet with consultant to get questions answered; b) meet in informal session; and c), get public testimony. He did not know if the point of forming a committee had been reached. The availability of the feasibility study can be advertised or a copy can be picked up. Public hearings will be held.

Chairperson Monahan emphasized there are going to be public committees and every opportunity for public comment providing the Redevelopment Agency is willing to start the process.

**MOTION
Hold Informal
Meeting**

On a motion by Chairperson Monahan, seconded by Agency Member Robinson, and carried 4-1, (Agency Member Cowan voting no) it was agreed to schedule a meeting at the discretion of Executive Director Lamm or City Manager Roeder between now and January, 2002, in a conference room in City Hall, around a table. Even though it is a noticed Redevelopment Agency meeting, there will be no recommended action on the feasibility study but minutes and warrant resolutions can be approved. Then, bring the Feasibility Study back with the Scope of Work, as Executive Director Lamm mentioned, to the regular Redevelopment Agency in January 2002, for formal action.

**Approved
Carried**

Dixon Committee

Vice Chairperson Dixon announced she will be forming her own committee so she can attend the meeting as a better informed representative – those who wished to be part of this committee were requested to contact her.

NEW BUSINESS

None.

REPORTS

Executive Director

None.

Agency Attorney

None.

**WARRANT
RESOLUTIONS
CMRA-291 and
CMRA-292**

On a motion by Agency Member Cowan, seconded by Agency Member Steel, and carried 5-0, Warrant Resolution CMRA-291 was ratified and Warrant Resolution CMRA-292 was approved.

**ORAL
COMMUNICATIONS**

Bill Turpit, 1772 Kenwood Place, Costa Mesa, stated he had not seen on the agenda the need to study alternatives to redevelopment in the areas being reviewed. Chairperson Monahan responded the subject is not on the agenda but, hopefully, it will be a part of future discussions. Mr. Turpit replied he did not understand how \$300,000 could be spent for consultants when City staff could tell everything there is to know about redevelopment. This process does not involve a hard look at alternatives in response to the community needs.

Agency Member Steel asked what Mr. Turpit meant by alternatives to redevelopment. He responded other means to repair streets, improve the esthetic and quality of life, and to accomplish goals and dreams of the community.

Tom Egan, 1893 Parkview Circle, Costa Mesa, concurred with Mr. Turpit's comments. He stated redevelopment could be a part of what is wanted. The Westside Specific Plan was an attempt. He asked how the area could be redeveloped without going through the Redevelopment Agency, and if this conversation should be made at City Council level. Chairperson Monahan answered in the affirmative and reiterated redevelopment is a method of funding. There are many alternatives such as density bonuses, rezoning of the bluffs, etc.

AGENCY MEMBERS

COMMENTS None.

ADJOURN Chairperson Monahan adjourned the meeting at 8:27 p.m. to an informal session in a conference room in City Hall, time and date to be determined.