

**JOINT MEETING OF THE COSTA MESA
REDEVELOPMENT AGENCY AND CITY COUNCIL**

May 12, 2009

The Redevelopment Agency and City Council met in a Joint Meeting on Tuesday, May 12, 2009, that was held in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. Agency Vice Chair Wendy Leece called the meeting to order at 6:30 p.m. and led in the Pledge of Allegiance.

I. ROLL CALL Agency Members Present: Agency Vice Chair Wendy Leece
Agency Member Eric Bever
Agency Member Allan R. Mansoor
Agency Member Gary Monahan

Agency Members Absent: Agency Chair Katrina Foley

Officials Present: Acting Executive Director Kimberly Brandt
Agency Attorney Kimberly Hall Barlow
Budget & Research Officer Bobby Young
Accounting Supervisor Christine Tsao
Assistant Secretary Julie Folcik

II. CLERK'S STATEMENT

The Redevelopment Agency Agenda and Notice and Call for the Joint Meeting, were posted at the City Council Chambers, Postal Office, Headquarters Police Department, the Neighborhood Community Center, and Mesa-Verde Public Library on Thursday, May 7, 2009.

III. MINUTES

Regular Redevelopment Agency meeting minutes of April 14, 2009.

MOTION: Approve. Moved by Agency Member Gary Monahan, seconded by Agency Member Allan R. Mansoor

The Motion carried by the following roll call vote:

Ayes: Agency Vice Chair Wendy Leece, Agency Member Eric Bever, Agency Member Gary Monahan, Agency Member Allan R. Mansoor

Noes: None.

Absent: Agency Chair Katrina Foley

IV. PUBLIC COMMENTS – None

VI. AGENCY MEMBERS' COMMENTS AND SUGGESTIONS

Agency Member Monahan requested that staff provide the Agency with an update regarding Triangle Square.

VII. WARRANT RESOLUTIONS

1. Approve Warrant Resolution CMRA-382

MOTION: Approve. Moved by Agency Member Allan R. Mansoor, seconded by Agency Vice Chair Wendy Leece

The Motion carried by the following roll call vote:

Ayes: Agency Vice Chair Wendy Leece, Agency Member Eric Bever, Agency Member Gary Monahan, Agency Member Allan R. Mansoor

Noes: None.

Absent: Agency Chair Katrina Foley

VIII. OLD BUSINESS – None

IX. NEW BUSINESS

1. CONSIDERATION OF PUBLIC IMPROVEMENT PROJECTS FOR FISCAL YEARS 2008-2009 AND 2009-2010; CONSIDERATION OF BUDGET ADOPTION FOR FISCAL YEAR 2009-2010

Budget & Research Officer Young informed Agency Members of two resolutions for consideration that would adopt public improvements within or benefiting the Costa Mesa Downtown Project for fiscal years 2008-2009 and 2009-2010, as well as a third resolution adopting the Agency's 2009-2010 Operating Budget. Mr. Young reported Section 33445 of the Health & Safety Code stated the Agency could, with consent of the legislative body, pay all or part of the value of public improvements benefiting the Costa Mesa Downtown Project Area. Mr. Young added that based on direction from the Agency's Counsel, adopting the resolutions would provide the necessary consent as the Redevelopment Agency Board; however, City Council action was necessary because the City Council was the Agency's legislative body. Mr. Young summarized his staff report and recommended adoption of the two resolutions approving public improvement projects for fiscal years 2008-2009 and 2009-2010, followed by the third resolution adopting the Agency's 2009-2010 Operating Budget. Mr. Young stated staff was available for questions.

Agency Vice Chair Leece requested an update on 1901 Newport and asked if Rutter Development was still the owner. Mr. Young deferred the question to Acting Executive Director Brandt.

Ms. Brandt confirmed that Rutter Development was still the owner of 1901 Newport. She reported that Rutter Development had completed their first phase of construction; however, given the economy, construction plans had been delayed. Ms. Brandt added that Rutter Development recognized their obligation and intended to fulfill it in June by coming forward with a plan that would meet their affordable housing obligation on the 1901 Newport property. Upon receipt of Rutter Development's plan, it would be reviewed to see if modifications would have to be made to the Affordable Housing Agreement that was in place.

Vice Chair Leece asked for the location of the affordable housing units, if they were on or off site and if they were new projects. Ms. Brandt reported that the Affordable Housing Agreement currently in place, was structured to provide seven (7) moderate-income units on the property in the subsequent phase, and the remainder of the obligation, which to date had been fulfilled through different obligations the City pursued, was provided off-site. Ms. Brandt said she would report back the names of the existing and already funded projects that were used to meet the obligation of Rutter Development.

Vice Chair Leece then asked if Rutter Development assisted with the funding of the off-site projects. Ms. Brandt informed Vice Chair Leece that terms in the Affordable Housing Agreement stated what was to be provided off and on-site. The City took responsibility for five (5) off-site units and used existing projects to fulfill that obligation. Agency Member Mansoor added that qualifications were met through funding assistance; therefore, new projects did not necessarily have to be built.

Vice Chair Leece asked what the occupancy was for 1901 Newport and if it was still being marketed. Ms. Brandt reported that although the majority of the units had not been sold, they were continuing to market them and like many developers, they were hoping for the economy to turn.

Vice Chair Leece opened the session for public comment. There being none, Vice Chair Leece closed the public comment.

A RESOLUTION OF THE COSTA MESA REDEVELOPMENT AGENCY, CITY OF COSTA MESA, CALIFORNIA, MAKING FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33445 RELATING TO CERTAIN PUBLIC IMPROVEMENTS WITHIN OR BENEFITING THE COSTA MESA DOWNTOWN PROJECT; AUTHORIZING USE OF TAX INCREMENT MONIES FOR ALL OR A PART OF SUCH IMPROVEMENTS; AND AUTHORIZING THE INSTALLATION AND CONSTRUCTION OF SUCH PUBLIC IMPROVEMENTS (FISCAL YEARS 2008-2009).

A RESOLUTION OF THE COSTA MESA REDEVELOPMENT AGENCY, CITY OF COSTA MESA, CALIFORNIA, MAKING FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33445 RELATING TO CERTAIN PUBLIC IMPROVEMENTS WITHIN OR BENEFITING THE COSTA MESA DOWNTOWN PROJECT; AUTHORIZING USE OF TAX INCREMENT MONIES FOR ALL OR A PART OF SUCH IMPROVEMENTS; AND AUTHORIZING THE INSTALLATION AND CONSTRUCTION OF SUCH PUBLIC IMPROVEMENTS (FISCAL YEARS 2009-2010).

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF COSTA, CALIFORNIA, ADOPTING A BUDGET FOR THE FISCAL YEAR 2009-2010

REDEVELOPMENT AGENCY MOTION: Adopt three Redevelopment Agency resolutions. Moved by Agency Member Gary Monahan, seconded by Agency Member Allan R. Mansoor.

The Motion carried by the following roll call vote:

Ayes: Agency Vice Chair Wendy Leece, Agency Member Eric Bever, Agency Member Gary Monahan, Agency Member Allan R. Mansoor

Noes: None.

Absent: Agency Chair Katrina Foley

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, MAKING FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33445 RELATING TO CERTAIN PUBLIC IMPROVEMENTS WITHIN OR BENEFITING THE COSTA MESA DOWNTOWN PROJECT AND AUTHORIZING USE OF TAX INCREMENT MONIES TO PAY FOR THE INSTALLATION AND CONSTRUCTION OF ALL OR A PART OF SUCH PUBLIC IMPROVEMENTS (FISCAL YEARS 2008 – 2009).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, MAKING FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33445 RELATING TO CERTAIN PUBLIC IMPROVEMENTS WITHIN OR BENEFITING THE COSTA MESA DOWNTOWN PROJECT AND AUTHORIZING USE OF TAX INCREMENT MONIES TO PAY FOR THE INSTALLATION AND CONSTRUCTION OF ALL OR A PART OF SUCH PUBLIC IMPROVEMENTS (FISCAL YEARS 2009– 2010).

CITY COUNCIL MOTION: Adopt two City Council resolutions. Moved by Council Member Gary Monahan, seconded by Mayor Allan R. Mansoor

The Motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Gary Monahan, Mayor Allan R. Mansoor

Noes: None.

Absent: Council Member Katrina Foley

IX. AGENCY REPORTS

1. Agency Counsel

Agency Counsel Hall Barlow reported the lawsuit challenging the ERAF shift from the Redevelopment Agencies had been successfully resolved in favor of Redevelopment Agencies throughout the state, and consequently, the Redevelopment Agencies would be able to retain ERAF funds.

2. Executive Director – None

Vice Chair Wendy Leece adjourned the Redevelopment Agency meeting at 6:45 p.m.