

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

**November 10, 2009**

The Redevelopment Agency and City Council met in a Special Joint Meeting that was held on Tuesday, November 11, 2009 in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. Agency Chairperson Katrina Foley called the meeting to order at 6:30 p.m. and led in the Pledge of Allegiance.

**I. ROLL CALL**

Members Present: Agency Chair/Council Member Katrina Foley  
Agency Vice Chair/Mayor Pro Tem Wendy Leece  
Agency/Council Member Eric Bever  
Agency Member/Mayor Allan Mansoor

Members Absent: Agency/Council Member Gary Monahan

Officials Present: Acting Executive Director Kimberly Brandt  
Agency Attorney Kimberly Hall Barlow  
Neighborhood Improvement Mgr. Muriel Ullman  
Special Agency Counsel Celeste Brady  
Clerk Julie Folcik

**II. PUBLIC COMMENTS – None**

**III. CLOSED SESSION**

1. 1901 Newport Blvd. (Pacifica) Update:
  - a. Conference with Legal Counsel - Anticipated Litigation: Initiation of Litigation pursuant to subdivision (c) of Government Code Section 54956.9 (one case)
  - b. Conference with Legal Counsel - Existing Litigation, pursuant to subdivision (a) of Government Code Section 54956.9 Pacific Western Bank v. Rutter 1901 Newport LLC, Superior Court, County of Orange, Case No. 30-2009-00120994.
  - c. Conference with Real Property Negotiators - Property: 1901 Newport Boulevard. Agency Negotiator: Allan Roeder, City Manager and Kimberly Brandt, Acting Development Services Director. Negotiating parties: Cordes & Company (appointed receiver). Under negotiation: price, terms of payment. Pursuant to Government Code Section 54956.8.

Agency Chair Foley recessed the Special Joint Redevelopment Agency/City Council meeting at 6:35 p.m. to the Closed Session in Conference Room 1B.

Agency Chair Foley reconvened the Special Joint Redevelopment Agency/Council Meeting at 6:57 p.m.

Agency Attorney Kimberly Hall Barlow announced the no action was taken on the closed session items.

**I. PLEDGE OF ALLEGIANCE**

**II. ROLL CALL**

Members Present: Agency Chair/Council Member Katrina Foley  
Agency Vice Chair/Mayor Pro Tem Wendy Leece  
Agency/Council Member Eric Bever  
Agency Member/Mayor Allan Mansoor

Members Absent: Agency/Council Member Gary Monahan

Officials Present:                   Acting Executive Director Kimberly Brandt  
  Agency Attorney Kimberly Hall Barlow City  
  Neighborhood Improvement Mgr. Muriel Ullman  
  Special Agency Counsel Celeste Brady  
  Economic Consultant Kathe Head  
  Clerk Julie Folcik

**III. CLERK'S STATEMENT**

The Special Joint Redevelopment Agency/Council Meeting Agenda and Notices and Call were posted at the City Council Chambers, Postal Office, Headquarters Police Department, the Neighborhood Community Center and Mesa Verde Public Library on Thursday, November 5, 2009.

**IV. MINUTES**

Regular Meeting of the Redevelopment Agency of August 11, 2009.

**MOTION: Approve. Moved by Agency Member/Mayor Allan Mansoor, seconded by Agency Vice Chair/Mayor Pro Tem Wendy Leece.**

The motion carried by the following roll call vote:

Ayes:    Agency Chair/Council Member Katrina Foley, Agency Vice Chair/Mayor Pro Tem Wendy Leece, Agency/Council Member Eric Bever, Agency Member / Mayor Allan Mansoor

Noes:    None.

Absent:  Agency/Council Member Gary Monahan

**V. PUBLIC COMMENTS – None**

**VI. AGENCY MEMBERS' COMMENTS AND SUGGESTIONS – None**

**VII. WARRANT RESOLUTIONS**

1.   Ratify Warrant Resolutions CMRA-386 and CMRA-387; approve Warrant Resolution CMRA-388

**MOTION: Ratify and approve. Moved by Agency Member/Mayor Allan Mansoor, seconded by Agency Vice Chair/Mayor Pro Tem Wendy Leece.**

The motion carried by the following roll call vote:

Ayes:    Agency Chair/Council Member Katrina Foley, Agency Vice Chair/Mayor Pro Tem Wendy Leece, Agency/Council Member Eric Bever, Agency Member / Mayor Allan Mansoor

Noes:    None.

Absent:  Agency/Council Member Gary Monahan

**VIII. OLD BUSINESS – None**

**IX. NEW BUSINESS**

1.   Neighborhood Stabilization Program 1 (NSP 1)

**CITY COUNCIL RECOMMENDATIONS**

1.    Approve the NSP Subrecipient Contract Services and Loan Agreement by and among the Cities of Fullerton, Costa Mesa, La Habra and MHC NSP LLC with such changes mutually agreed upon by the City Manager and the City Attorney (or Special Legal Counsel) as are in substantial conformance with the form of the NSP Agreement.

2.    Authorize the City Manager to enter into implementing documents on behalf of the City and take actions necessary to carry out the NSP Agreement, including issuance of warrants, and making technical or minor changes after execution, as necessary, to properly carry out the NSP Agreement and the City's participation in the NSP Program in order to comply with NSP notices, implementing regulations or other requirements promulgated by HUD and State HCD.

3. Authorize the City Manager to approve and execute the affordable housing agreements and related documents necessary to implement the sale of each home pursuant to the NSP Program to qualified Middle Income Households as homebuyers.
4. Authorize the City Manager to enter into a services contract with the City of Fullerton to utilize the inspection services of the City of Fullerton's Building Department in connection with the NSP Agreement and implementation of the NSP Program in a form and content approved by the City Attorney and to carry out such building inspection services agreement.

**REDEVELOPMENT AGENCY RECOMMENDATIONS:**

1. Approve appropriation and expenditure of monies from the Low-to-Moderate Income Housing Fund up to \$360,000 as supplemental funding for the implementation of the NSP Agreement and sale of homes pursuant to the NSP Program to qualified Middle Income Households as homebuyers.
2. Authorize the Executive Director to take actions necessary to carry out the NSP Agreement related to expenditure of such supplemental funding from the Housing Fund, including entering into implementing documents on behalf of the Agency and issuance of warrants, as necessary to properly carry out the NSP Program in cooperation with the City and in compliance with NSP notices, implementing regulations or other requirements promulgated by HUD and State HCD.
3. Authorize the Executive Director and Special Counsel to prepare and implement the necessary documents to carry out the Homebuyer assistance component of the NSP Program as funded from the Housing Fund in connection with the resale of each Home to the qualified Middle Income Homebuyer, which documents will include a silent second trust deed with terms that comply with applicable Community Redevelopment Law requirement and NSP notices, implementing regulations, and other legal requirements promulgated by HUC and State HCD.

Neighborhood Improvement Manager Muriel Ullman presented the staff report and made herself available for questions at the conclusion of her report.

Agency Member/Mayor Mansoor asked if Tier 1 was based on the City's size and the need for \$1 million dollars in funds, and Tier 2 meant a smaller sized city combining with another city. Ms. Ullman explained that HUD had come up with a complex formula that was based on size, people living below the poverty line; extent of abandonment, foreclosure starts and finishes. Agency Member/Mayor Mansoor stated the only distinction was whether the City went with it alone or combined with other cities. Ms. Ullman confirmed Agency Member/Mayor Mansoor's statement.

Agency Vice Chair/Mayor Pro Tem Leece asked if a certain amount of money would be equally divided between the three cities. Ms. Ullman confirmed that was the case and added that the City of Fullerton, who had the most money, had agreed to be the lead; therefore, they would be the party responsible for submitting all the paperwork. The developer (Mercy Housing) would spend the \$300,000 in Costa Mesa.

Agency Vice Chair/Mayor Pro Tem Leece asked questions regarding the dynamics of the program (eligibility, marketing, amortization, selling rights, U.S. citizens, etc.). Ms. Ullman answered the questions and gave Agency Vice Chair/Mayor Pro Tem Leece an explanation of the program.

Agency/Council Member Bever made the comment that it was ironic to have a 70-80-page report and staff doing so much work to help only 1 or 2 homebuyers. Ms. Ullman mentioned that depending on the costs, 3 to 5 homebuyers would receive assistance.

Agency Member/Mayor Mansoor stated for the record that the matter had received a 5-0 affirmative vote to go forward at the Council level.

**MOTION: Voting as the Council - Approve Council Recommendations 1 through 4.**

**Moved by Council/Agency Member Eric Bever, seconded by Mayor Pro Tem/Agency Vice Chair Wendy Leece.**

The motion carried by the following roll call vote:

Ayes: Council Member/Agency Chair Katrina Foley, Mayor Pro Tem/Agency Vice Chair Wendy Leece, Council/Agency Member Eric Bever, Mayor / Agency Member Allan Mansoor

Noes: None.

Absent: Council/Agency Member Gary Monahan

**MOTION: Voting as the Agency - Approve Redevelopment Agency Recommendations 1 through 3**

**Moved by Agency Vice Chair/Mayor Pro Tem Wendy Leece, seconded by Agency Member/Council Member Eric Bever.**

The motion carried by the following roll call vote:

Ayes: Agency Chair/Council Member Katrina Foley, Agency Vice Chair/Mayor Pro Tem Wendy Leece, Agency/Council Member Eric Bever, Agency Member/Mayor Allan Mansoor

Noes: None.

Absent: Agency/Council Member Gary Monahan

**X. REPORTS**

1. Agency Attorney – Agency Attorney Hall Barlow announced this was the beginning of her 6<sup>th</sup> year as Agency Attorney.
2. Executive Director – None

**XI. ADJOURN**

Agency Chair Foley adjourned the meeting at 7:13 p.m.