

SPECIAL MEETING OF THE REDEVELOPMENT AGENCY

FEBRUARY 15, 2005

The Redevelopment Agency of the City of Costa Mesa, California met in a Special Meeting on Tuesday, February 15, 2005, in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. Chairperson Dixon, who also led the Pledge of Allegiance to the Flag, called the meeting to order at 6:47 p.m.

ROLL CALL

Agency Members Present: Chairperson Dixon
Vice-Chairperson Bever
Agency Member Foley
Agency Member Mansoor
Agency Member Monahan

Officials Present: Executive Director Lamm
Agency Attorney Hall Barlow
City Manager Roeder
Assistant Dev. Services Director Robinson
Neighborhood Improvement Mgr. Ullman
Senior Planner Brandt
Management Analyst Veturis
Financial Consultant Head
Special Agency Counsel Brady
Executive Secretary Rosales

POSTINGS

The Redevelopment Agency meeting Agenda and Notice and Call were posted at City Council Chambers, Headquarters Police Department, Neighborhood Community Center, Postal Office and Mesa-Verde Public Library on Thursday, February 10, 2005.

MINUTES

On a motion by Agency Member Mansoor, seconded by Agency Member Monahan and carried 5-0, the minutes of January 10, 2005, were approved.

NEW BUSINESS

**Proposed HOME 7
Ownership Project –
Affordable
Clearinghouse/Mary
Erickson Community
Housing**

Neighborhood Improvement Manager Ullman reported that in April 2004, staff received Redevelopment authorization to issue a request for proposal with priorities on senior or disabled, homeownership, Costa Mesa preference and Community Housing Development (CHDO) qualification. HOME 7 was an affordable homeownership project that would be jointly developed by Affordable Housing Clearinghouse/Mary Erickson Community Housing (AHC/MECH). Staff was requesting Agency direction, due to issues raised at a recent 3R Committee meeting.

Ms. Ullman, along with Financial Consultant Kathe Head of Keyser Marston (KMA), provided a PowerPoint presentation to give the Agency a better understanding of the complexity of the subject matter. Copies of the PowerPoint presentation were distributed to Agency Members, staff and the public.

Ms. Ullman's presentation summarized the proposed site (1938 and 1942 Anaheim Avenue), scope of development, required covenants, development team's experience and financial statements; City Council priorities and total cost and sales revenues for the HOME 7 project.

Ms. Head's presentation explained the two options (buy out vs. irrevocable covenant/resale restriction) that were available to the Agency for treating the required 45-year covenant that applied to units the Agency assisted with Redevelopment property tax increment set-aside funds. The Agency received an in-depth explanation and comparison of the projected sales revenues and allocation, net City/Agency assistance, assumptions of resale conditions, homebuyer return on investment and cost to replace lost units for each affordability covenant.

Agency Member Foley asked various questions throughout Ms. Head's presentation and Ms. Head answered them accordingly.

Ms. Ullman reported that on January 25, 2005, the 3R Committee enthusiastically supported the project and made the following recommendations: 1) maximum occupancy limits, 2) Costa Mesa resident preferences, and 3) senior citizen preferences. The 3R Committee also supported the buy out option of the affordability covenant. Because the project did not include senior preference, staff contacted AHC/MECH. Boards for both development teams agreed to a senior housing project but preferred workforce housing, and although the project was structured with resale restrictions, the development team agreed to allow the homeowner buy out option.

In concluding, Ms. Ullman stated that prior to continuing negotiations with the developer, staff was requesting Agency direction with regards to senior preference vs. workforce housing, and the irrevocable covenant vs. the buy out option.

Agency Member Mansoor asked if staff had a professional opinion on whether or not senior housing would work at the proposed location.

Ms. Ullman stated the proposed project could not be senior housing because it did not meet all the State requirements for senior housing. It had a nice R1 ambiance but lacked proximity of senior services. Ms. Ullman added 3R Committee members were present, who could fully answer questions.

Agency Member Mansoor stated Ms. Ullman "hit the nail on the head" when she mentioned it was not true senior housing but merely senior preference. It could be offered to seniors but it would be completely up to the seniors, whether they chose to participate or not.

Ms. Ullman stressed the importance of being careful with how preferences were worded so as to not discriminate against future owners. A legal issue she would leave up to the lawyers

Agency Member Mansoor asked for follow-up concern from Agency Attorney Hall Barlow.

Agency Attorney Hall Barlow reported she had discussed the issue at length with Ms. Brady. Based on the imposed restrictions, HOME 7 could not be a senior project because it exceeded the Agency's ability to fund senior housing. Preferences would be carefully crafted into the document, as to not discriminate against anybody on the basis of protected status.

At the request of Agency Member Foley, Special Agency Counsel Brady reported that community objectives targeting income groups, workforce housing, Costa Mesa residents and homebuyers, would be identified in the application process under the housing element. Categories such as age (seniors, family or children); religions, race

and any familial status were very strict, scrutiny categories. An agreement could not be set up, nor could purchase documents indicate that applications, by seniors, would be reviewed and a preference provided, allowing seniors to be the first to buy the units. If the project were to be senior housing, it would have to comply with seven categories of amenities under State law and the Unruh Act. Ms. Brady did not want the Agency to believe that a senior preference was being established and seniors would be first in line to buy, in relation to anyone else.

Agency Member Monahan asked if a person's income level could affect both resale scenarios or if the resale would be either way, and Ms. Head responded the resale would be either way.

Vice Chairperson Bever inquired if the requirements wanting to be achieved with the proposed HOME 7 project could also be achieved by focusing on the First Time Home Buyer program.

Ms. Ullman confirmed the requirements could be achieved and added that depending on the Agency's decisions for the proposed HOME 7 project, staff would bring forth a similar structure for the First Time Home Buyer program. Ms. Head warned the Agency it would cost the same amount or a little more.

Vice Chairperson Bever asked if by having the First Time Home Buyer program subsidy, the Agency would be meeting all state and federal requirements that the proposed HOME 7 project was meeting.

Ms. Ullman and Ms. Head both responded yes.

Vice Chairperson Bever made the comment that getting into the business of funding speculators who sold the properties in a year or two defeated the Agency's goal. He asked if the buy out option included language mandating low-income buyers to hold the property for a number of years before selling it on the open market.

Ms. Ullman did not think the language existed because the homebuyer was only required to meet the initial income requirements and be credit worthy. If a buy out option were allowed, the homeowner could buy out anytime, as long as the Agency's loan was repaid.

Regarding the irrevocable option, Vice Chairperson Bever asked if staff was looking into buildings that would be locked in for 45 years.

Ms. Ullman confirmed Vice Chairperson Bever's question.

Vice Chairperson Bever stated the proposed project was in a neighborhood that was in the process of reinventing itself. If the Agency opted against the buy out option, locking the property for 45 years, someone, years later, would not have the ability to combine parcels and build a new development.

Ms. Ullman explained language could be written into the homebuyer loan agreement giving the City/Agency the option of renegotiating. It would be difficult and costly but could be done.

Chairperson Dixon asked staff how Costa Mesa residency would be determined and how long a person needed to live in Costa Mesa to be an eligible participant.

Ms. Ullman responded staff was not that far into the negotiations, but they would look at the last permanent address and require proof of

residency. Standards that constituted a permanent residence existed, and they would be included on the agreement.

Agency Member Foley asked if a legal analysis had been conducted regarding Costa Mesa preferences.

Special Agency Counsel Brady advised there were many programs that identified residency requirements for eligible participation. Criteria related to living or working in Costa Mesa did not cross over into strictly scrutinized categories under constitutional statute.

Regarding Vice Chairperson Bever's question of the buy out option, Ms. Brady explained that Redevelopment Law was very clear regarding the ability to establish buy out of covenants in the owner-occupied for sale context. It was not as clear in patterns where rental housing covenants were already established. The Agency would need the consensus and cooperation of not only the buyer or developer of a proposed property, but also the consensus of whoever owned the property, as well as, the City or the Agency with whom the agreement had been set up. The law did not anticipate or plan for the complicated buying out process. In the normal course of contractual arrangements, the original parties who set the covenants could modify them but not with just the subsequent owner.

Chairperson Dixon opened the session for public comment.

PUBLIC COMMENT

Fred Bockmiller, 1872 Monrovia Avenue, Costa Mesa, supported the project but wanted to address some development issues. He referred to page 8 and asked if the re-piping, owned by the development, included replacing the sewer line from the building to the main. Other issues included the City/Agency assisting new homeowners with the development of a good working association, an adequate reserve study for maintenance of the property, and a good management company.

Agency Member Monahan asked if staff had answers to any of Mr. Bockmiller's questions.

Ms. Ullman responded that sewer line details had not yet been discussed. The developer had no plans of replacing the sewer line; however, they had not gone through Planning and Building. Regarding developing a homeowner's association and ensuring a valid reserve, staff would work with the developer to ensure it was done.

Chairperson Dixon asked staff for further input regarding Mr. Bockmiller's question about the management company.

Ms. Ullman stated staff would work with the developer to ensure that everything was in place.

Martin Millard, 973 Harbor Boulevard, No. 264, Costa Mesa, 3R Committee member, stated the proposed project consisted of single-story units with single-car garages, lending themselves to senior preference. Young, growing families would create a parking problem. Mr. Millard urged the Agency to support senior preferences, include the required senior preference language, and support the buy out option, if they decided to go forward with the project.

Bill Turpit, 1772 Kenwood Place, Costa Mesa, stated that as a 3R Committee member, he supported the proposed project and senior preferences. Due to a lack of information, he realized he made an error when he voted in support of senior housing. He stated seniors needed a minimum level of security and specific amenities. They

were not interested in maintaining yards and did not mix well in family neighborhoods. The project was not appropriate for senior housing because it did not meet those needs. Mr. Turpit encouraged the Agency not to accept the senior preference recommendation and as a point of information, mentioned a Court of Appeals case in which minimum occupancy requirements were upheld as reasonable restrictions in affordable housing projects.

Lillian Gorbaty, 1555 Mesa Verde Dr., #45D, Costa Mesa, 3R Committee member, stated both she and her husband were senior citizens who lived in their home for 37 years. Families with children should be living in a house and not renting. In determining who should have access to the proposed project, it was behooving to see young families in the community, buying their first home. Seniors required many needs because aging was a progression. A creative objectivity and plan was needed and the Agency would come up with one.

MOTION

Agency Member Mansoor motioned to direct staff to go forward and implement the 3R Committee's recommendations, including requiring maximum occupancy limits which ran with the land; Costa Mesa and senior preferences, in a legally appropriate manner; recorded covenants permitting the use of garages for parking of vehicles only and allowing the City to enforce said restrictions; and the homeowner buy out option of the affordability covenant.

Agency Member Monahan questioned Agency Member Mansoor's motion regarding the garage requirement asked if visitors would not be able to park in the garages.

Agency Member Foley stated the garages would be used for parking cars only, as opposed to being used for storage. Agency Member Mansoor concurred.

SUBSTITUTE MOTION

Agency Member Monahan made a substitute motion to keep Agency Member Mansoor's motion with the exception of senior preferences. Chairperson Dixon seconded the motion.

Vice Chairperson Bever advised he would not be supporting the motion due to several issues. He felt that as an alternative, the Agency should focus the money on the First Time Home Buyer Program, providing subsidies to homebuyers and imposing similar restrictions.

Agency Member Foley asked Ms. Ullman if she could address some of Vice Chairperson Bever's concerns regarding the First Time Home Buy Assistance Program.

In response to Agency Member Foley's request, a lengthy and detailed discussion succeeded with regards to the First Time Home Buyer Program and the buy out option. Agency Members presented worse case scenarios and asked numerous questions regarding terminology, profit-making prevention, income restrictions and legal aspects of the buy out option. Staff provided the Agency with justifiable responses, as well as, expert legal opinions.

In concluding the discussion, Ms. Brady stated that in the buy out option and under Redevelopment Law, if the first mortgage held by the bank, the second trust deed in favor of Costa Mesa and the third trust deed securing the equity share were fully paid off, the affordable housing covenants, initially imposed for a period of 45 years, were released in the for sale fact pattern, making the unit a market-rate unit.

Approved and carried

The motion carried 4-1, Vice-Chairperson Bever voting no.

Agency Member Foley requested staff bring forward a discussion regarding any long-term consequences of the buy out option, especially if the option became standard policy and would be applied to similar programs.

Chairperson Dixon agreed.

Amendment to Agency Bylaws Changing the Annual Redevelopment Agency Meeting and Regular Meetings

Management Analyst Veturis reported that on February 7, 2005, City Council directed staff to make the necessary provisions to change the City Council and Study Session meeting dates from the first and third Monday of each month, to the first and third Tuesday of each month. Consequently, the Redevelopment Agency was also directed to change its regular meeting dates to Tuesday, to coincide with the Study Session meeting schedule.

In complying with Council's request, it was necessary for the Agency to amend its Bylaws to include a change in the Annual Meeting date in December to occur at a regular meeting, in addition to changing the regular meeting date. The resolution that was presented to the Agency had been reviewed by the City Attorney's office. Ms. Veturis requested adoption of the resolution to amend the Agency Bylaws and change the date of the Annual Redevelopment Agency meeting and regular meetings.

Agency Member Mansoor requested clarification regarding the Agency's Annual meeting and the regular monthly meetings.

Ms. Veturis explained the Agency was required to review an Annual Report at its Annual meeting. It was required within six months of the end of the fiscal year and had to be held prior to the conclusion of the calendar year.

PUBLIC COMMENT

Chairperson Dixon opened the session for public comment. There being none, the public comment session was closed.

**MOTION
Approved and carried**

On a motion by Agency Member Monahan, seconded by Agency Member Mansoor and carried 5-0, the Agency Bylaws were amended to change the Annual Redevelopment Agency meeting and the regular meetings.

OLD BUSINESS

Consideration of the Westside Revitalization Oversight Committee (W.R.O.C.) Implementation Plan

Management Analyst Veturis gave a summary on the formation of the WROC in August of 2003. Six WROC sub-committees, studied, in-depth, the rezoning of the Westside Bluffs, arts and mixed use, regulations and code enforcement, revitalization incentives, infrastructure improvements and the 19th Street bridge study. On October 11, 2004, WROC recommendations were submitted to the Agency via the WROC Report. The Agency accepted the report and requested the WROC's input on the WROC Implementation Plan.

On January 25, 2005, the WROC reviewed the Implementation Plan and transmitted it to the Agency. The Implementation Plan before the Agency identified various recommendations, changes incorporated by the WROC, as well as, a compilation of City staff responses to the various recommendations. Chairpersons for the WROC sub-committees were present to answer questions.

A map of the WROC Implementation Plan Area, with corresponding recommendation numbers, was displayed. Ms. Veturis emphasized the importance of taking into consideration the circled areas (D1). She stated they were general areas with no specific boundaries; therefore, the statements in the recommendations were also general. The same applied to Area B1.

Due to all recommendations falling within the City's jurisdiction, under land use issues, the Agency could 1) transmit the WROC Implementation Plan to City Council for consideration, 2) receive and file the WROC Implementation Plan or, 3) receive and file portions of the Plan to be transmitted to Council. Ms. Veturis made the request that should the Agency decide to transmit the Implementation Plan to Council, public comments be submitted in writing for inclusion in the Minutes. She added staff was also seeking direction on the third recommendation with regards to the West 19th Street Project Area.

Chairperson Dixon asked Agency Members if anyone wanted a presentation from the Chairpersons of the WROC sub-committees. The consensus was no.

Agency Member Monahan stated he understood the Downtown Redevelopment Project Area to be a separate area and asked if staff was considering an expansion that would amend the Redevelopment Plan or considering a new Redevelopment Plan.

Executive Director Lamm responded staff was considering an expansion of the Downtown Project Area that bordered along Maple and Anaheim because it was financially viable.

Agency Member Monahan remarked the current Redevelopment Area did not have a Sunset clause on its eminent domain provisions and asked if an expansion would open up the entire area for discussion or only the newly expanded area.

Executive Director Lamm stated the Downtown Project Area eminent domain provision did Sunset in 1998 and as a result, the Agency did not have eminent domain authority within the Project Area. The Agency could adopt a Project Area without eminent authority and attempt to reopen the Downtown to re-invoke and assume eminent domain power again. However, the issue of whether blight could be found to justify the expansion under the law was being investigated.

Agency Member Monahan asked what the street median and lighting boundaries for recommendation A6 on page 12 were and added that a timeline of 3 years seemed too much for a small area.

Assistant Development Services Director Robinson advised that the boundaries extended from Placentia Avenue to Whittier.

Agency Member Monahan suggested defining boundaries when the Plan was reissued for public hearing, to avoid confusion.

Agency Member Foley agreed that the 3 year timeline seemed too long and asked if the proposed plan could be combined with the existing 19th Street improvement project.

Mr. Robinson stated the recommendations were developed based on the Engineering Department's experience with the first half of 19th Street. They were reasonably accurate but could be double-checked.

Agency Member Foley asked if the process could be expedited since it entailed much of the same work that had already been conducted for the east side of 19th Street.

Mr. Robinson responded street medians were strategically developed in consultation with adjacent property and business owners; therefore, they would have to be done on a case-by-case basis.

City Manager Roeder reported Council asked staff to investigate the associated costs and time frames when the underground utility districts for Placentia and 19th Street were established. Due to cost, Council opted not to go forward. Creation of a new underground utility district would be required and Southern California Edison's time frame, for design, was typically 12-18 months.

Agency Member Monahan requested clarification on the description of recommendation B1, page 14.

Mr. Robinson mentioned the Bluffs Rezone sub-committee developed the recommendations for the Westside Bluffs and the Arts/Mix/use sub-committee reviewed similar issues. Although somewhat similar, the recommendations were made by two separate sub-committees. In terms of 19th Street and the mix/use concept, the recommendations were compatible, but differed in the industrial zone because the Bluffs Rezone specifically identified two areas for live/work - north of 18th Street and West of Whittier Avenue. Because recommendation B1 stated "all appropriate MG properties", it expanded beyond the recommendations of the Bluffs Rezone sub-committee.

In an attempt to clarify the B1 recommendation and what was being implemented, Agency Member Monahan agreed to ask the sub-committee.

WROC Chairperson Ralph Ronquillo, 980 Grove Place, Costa Mesa, said the 19th Street corridor became one of the WROC's focuses, in the event the Agency went forward with an expansion of the Downtown Project Area. Because recommendations not limited to specific areas were being made, they narrowed it down to areas of an appropriate industrial zone.

Christian Eric, 1825 Placentia Avenue, Costa Mesa, said a rezone was more serious than an overlay. The sub-committee decided on an overlay because it was more appropriate for landowners and they were not restricted to a single rezone.

Agency Member Monahan asked if recommendation B1, as stated, was a residential overlay requiring a General Plan amendment, or a live/work, artist loft procedure. He further asked if it applied to the B1 areas only or the entire industrial zone.

Mr. Robinson responded the answer to both questions from Agency Member Monahan was yes.

Agency Member Monahan was interpreting the B1 recommendations as live/work, artist lofts, and residential overlay for the entire industrial area.

Mr. Robinson clarified the overlay, for a strictly residential project, was only for West of Whittier Avenue.

Chairperson Dixon and Agency Member Foley both remarked the map was not reflecting that.

Agency Member Monahan read recommendation B1 and stated it was recommending a residential overlay for the area. He asked staff if implementation-wise, a General Plan amendment would be brought forward. If not, the wording would have to be changed.

Ms. Hall Barlow mentioned staff needed to review the area, evaluate what sections might be appropriate for an overlay and return to the Agency with appropriate ordinances and General Plan amendments. Staff was simply requesting consent to go forward, conduct the evaluation process, and bring forward for implementation.

Agency Member Monahan asked if staff would be evaluating the B1 area and bringing forward certain areas believed to be appropriate for residential overlay and live/work, as recommended in A1 and A4.

Ms. Hall Barlow replied staff would expand the review to the B1 Area to determine whether or not to have similar overlays, depending on upon the specifics of the region.

Agency Member Foley was interpreting recommendation B1 to mean artist loft residential as opposed to single family home residential and asked for clarification.

Mike Harrison, 201 Paularino, Costa Mesa, Rezone Sub-committee Chairperson, stated that the recommendations were based on a 70% consensus. The original proposal that read, "for all MG zoned properties on the Westside" did not receive the 70% consensus. The WROC accepted inserting the word "appropriate" to conform to the recommendations of the Rezone Sub-committee and avoid a conflict.

Agency Member Monahan asked if by adding the word "appropriate", part of the implementation was for staff to analyze the area and take forward to Council any areas they believed would work for residential overlay or live/work artist loft.

Mr. Harrison explained that adding the word "appropriate" brought the recommendation into conformance with the recommendation of the Rezoning Sub-committee, who also recommended where in the industrial zoned area, the areas would be appropriate.

Agency Member Monahan rephrased his statement and asked if the WROC's implementation recommendation was to have A1 as the only residential overlay zone and A4 as the only live/work overlay. He was hearing two different recommendations that were conflicting with each other that would need to be resolved by Council before the WROC Implementation Plan was approved.

Mr. Harrison understood the potential for conflict and believed the WROC approved the wording of the Implementation Plan as a way of resolving conflict.

Agency Member Monahan wanted the WROC to know that part of the implementation aspect of recommendation B1 entailed staff studying the area and bringing something forward.

Agency Member Mansoor stated he understood the general direction of the WROC and thought many of the recommendations would go forward. If the WROC Implementation Plan went to Council, it would be up to them to take the recommendations, find the specifics and make the difficult decisions where there was no clarity because the public was expecting them to make final decisions. Chairperson Dixon concurred.

Vice Chairperson Bever expressed difficulty with the WROC inserting the word “appropriate” to conform with the recommendation of the Rezone Sub-committee. If the WROC Implementation Plan was stating the same as sections A1 and A4, the report was redundant. He asked the Live/Work Artist Loft sub-committee if that was their understanding.

Mr. Eric explained the word “appropriate” had been significantly discussed. An overlay was not a restrictive situation and Council would have to determine what was appropriate. The committee felt that using a tiny portion of the land for an overlay took away the opportunity from landowners who wanted to utilize their lands differently. Mr. Eric reminded the Agency that the WROC was not instructed to give explicit recommendations. They were mandated to provide broad and general recommendations as to the best way to deal with the problems.

Vice Chairperson Bever specifically asked the Live/Work Artist Loft sub-committee if it was their understanding that inserting the word “appropriate” bounded them to Areas A1 and A4.

Frank Gutierrez, 789 W. 19th, Costa Mesa, responded “appropriate” restricted property owners to a certain level of that particular area. The concept of the overlay was to give property owners possibilities and freedom to do what they wanted to do. Economic factors would determine the decision of a landlord and it would take the power of a vast economic to transform the Westside. The Implementation Plan gave property owners the possibility of taking the direction they wanted to take, based on the economics of that area.

Chairperson Dixon asked Mr. Eric if the recommendation was to expand the B1 area and build what was appropriate – artist loft, residential or live/work.

Mr. Eric responded the committee believed an industrial or R1 zoning would be too restrictive if the area were to be rezoned. An overlay gave everyone more opportunity.

Chairperson Dixon commented it would pertain to the entire area.

Mr. Eric concurred.

Vice Chairperson Bever stated the intent was to give a broad ability for the landowners to choose their own direction rather than agreeing that A1 and A4 were restricted areas for the sub-committee.

Agency Member Foley asked Ms. Brandt if a property owner living in the B1 area, without an overlay, found a developer to purchase the property and rezone it residential, would they be able to go before the City and request a General Plan amendment or a rezone without an overlay zone.

Ms. Brandt explained that a screening process before City Council would be required. If the City Council gave the approval to proceed, they would concurrently proceed with a General Plan amendment and rezone which took about 3-4 months. Depending on any type of environmental review, the process could last anywhere from 6 months to one year depending on each parcel.

Vice Chairperson Bever asked if someone requesting residential or live/work zoning in a parcel surrounded by MG zone properties was considered spot zoning.

Ms. Brandt responded staff would conduct an analysis in conjunction with the General Plan Amendment screening process to study the compatibility with the surrounding neighborhood, as staff was always concerned with the interface between residential uses and industrial.

Vice Chairperson Bever stated it was a time-consuming and costly process and asked if it could be inhibitive of movement in the area.

Ms. Brandt replied it could be. She added developers would choose applying for a mix/use overlay on a piece of property because the hurdles of the General Plan and Zoning Code amendment would be completed and in place.

Vice Chairperson Bever added that an overlay zone would not require changes to the underlying zone for someone wanting to continue in an overlay zone.

Ms. Brandt concurred and stated staff was still working out the details of how that would be implemented.

Chairperson Dixon asked if Council designated the area as overlay, would the General Plan process be eliminated.

Ms. Brandt said that would be the intent.

Agency Member Foley inquired if spot zoning was illegal or a policy preference.

Agency Counsel Hall Barlow answered that while spot zoning was not illegal, it was discouraged. Anytime a parcel or combination of parcels, were rezoned, the issue of spot zoning was raised but it was seldom fixed.

Agency Member Foley made the comment that recommendation A2 could be referred to as spot zoning.

Agency Member Bever said it was contiguous with a commercially zoned area.

Agency Member Foley asked staff if they could address her concerns regarding the “throw it over the whole area” which she felt impeded changes and revitalization in a concentrated area that could move. She added that a criticism of the current Westside was that it was a mixture and a “hodgepodge” of different uses and felt that an overlay zone would encourage a mixture and hodgepodge of different uses.

Ms. Brandt stated it was important to remember that the General Plan would be amended to allow the mix/use concept. As part of the General Plan Amendment and the writing of the mix/use zoning overlay, staff would include measures to ensure that such issues were addressed. Staff would also analyze land use compatibility during the transition from industrial and residential. Without labeling the B1 area, something flexible could be created in the zoning, allowing the area to evolve but have enough protection to ensure a good transition.

Agency Member Foley thought Ms. Brandt’s comments were more of an appropriate approach and stated staff should evaluate the area and inform the Agency of the appropriate zone.

Ms. Brandt stated it could be an alternative and staff would provide Council with different approaches.

Chairperson Dixon stated she perceived an overlay area as encouraging the public sector to redevelop the Westside at a much quicker rate, allowing the opportunity for improvement and businesses, the opportunity to continue to exist.

Ms. Brandt explained the mix/use zoning overlay was a flexible development/planning tool that allowed different types of uses than the standard MG zone.

Ralph Ronquillo reported the WROC Report was a compromise that took about a year time frame to compile. The WROC wanted to see if the Agency/City would make it possible for development companies to utilize the property by introducing a new set of people, who could possibly own those properties. The WROC wanted to avoid a “when you build it, they don’t come” scenario. The WROC Report was a compromise handed by the WROC, who was now requesting guidance from the Agency in defining what “appropriate” meant.

In regards to recommendations A1 through B1, Agency Member Foley asked if the Agency would be required to conduct an environment impact review (EIR) to make the General Plan amendment and rezone changes.

Ms. Brandt responded staff would have to look at the development envelope anticipated as a result of the General Plan amendments. Evaluations and estimations would have to be conducted on trip generations. Based on the numbers produced by the traffic model, staff would decide the types of environmental documents that would be required whether it be a mitigated negative declaration or an EIR.

Agency Member Foley requested the matter be addressed at Council because an EIR would require budget consideration. In addition, Member Foley asked if the implementation timelines took into consideration an EIR.

Ms. Brandt explained the timelines were based on an assumption that staff would be able to stay within the trip model assumptions. Should there be a significant increase in trips, the timelines would be extended an additional 6 to 9 months for preparation of the EIR.

Member Foley asked staff if they anticipated the results from the Bristol Street Study to be a generic approach for mix/use throughout the city or would a more specific mix/use study and plan be conducted for the Westside area, as they appeared to be very different.

Ms. Brandt stated there were differences but there were also similarities. Staff worked with the Mix/use Sub-committee and reviewed existing mix/use ordinances throughout the State. Staff had gained knowledge from the Bristol Street process for the Westside, but they would not take one and apply it to another due to differences in the area.

Agency Member Foley asked if the word “market” in recommendation A2 referred to a grocery store market.

Mr. Robinson explained that the description of recommendation A2, were the exact words from the WROC and that her question would be more appropriate for the WROC.

Within the same recommendation, Agency Member Foley questioned and quoted the language under the description pertaining to the

exploration of restrictions. She did not see an implementation strategy as to the specific points and requested implementation follow-up.

Mr. Robinson used the Bristol Street project as an example and said staff was looking into restrictions or incentives on ownership-type uses. The Bristol Street project could be used as a base to modify recommendation A2 and although an implementation strategy was not mentioned, it had been discussed with the Bristol Street Committee and could be applicable in recommendation A2.

For purposes of Council adopting an implementation strategy, Agency Member Foley requested that the strategy address those issues. She referred to recommendation A4 on page 10 and questioned why there was a 2-story restriction where there might be an opportunity to provide for a townhouse-type of structure.

Sub-committee Chairperson Harrison clarified there were two-story apartments on the south side of 19th Street, as well as, a shading issue that could be contentious. The lower buildings were located to the north; therefore, it seemed more appropriate to have the lower-level on the north side of the street.

Agency Member Foley referred to recommendation A5 on page 11, and requested staff to inform Council of the cost. She made the comment that it would not be beneficial to have signage clutter in an area the Agency was trying to improve and inquired if the Committee had considered alternate methods for removing trucks from the residential neighborhood.

Agency Member Monahan stated if trucks were prohibited, the law mandated signage every so many feet. Agency Attorney Hall Barlow added signage was required at the entrance of an area where trucks were prohibited. All access streets would require appropriate signage.

Regarding the signage implementation, Agency Member Foley asked if there would be a work plan for review and what the enforcement mechanism would be.

Agency Attorney Hall Barlow replied it was an ordinary police enforcement issue. Most trucks were identified by a company name, so if a resident or business owner observed a problem, it could be reported.

Agency Member Foley further asked what the penalty would be for someone who broke the law.

Agency Attorney Hall Barlow explained it was a violation of the Vehicle Code and as long as the area was properly posted, State law would establish the penalty.

Chairperson Dixon suggested that if Council decided to implement recommendation A5, the City could work with the businesses to properly notify trucking companies.

Regarding recommendation C1, which referred to the Street Foot/Bicycle Patrol, Agency Member Foley asked if there was a plan in the 19th Street Improvement Plan to add a more clearly defined bike lane for the officers to ride.

Agency Member Monahan told Member Foley he did not believe bike lanes had been dedicated in the current project.

Agency Member Foley stated that was her understanding as well and asked where the bicycle patrol officers would ride.

Agency Member Monahan clarified a bike was still a vehicle and that bike lanes had not been approved on West 19th Street.

Agency Member Foley thought bike lanes should be considered and supported having a Street Foot/Bicycle Patrol. She did not think the officers should be put at risk by riding in unprotected lanes.

Vice Chairperson Bever reported there were concerns regarding the officers' visibility at the WROC Committee. The Committee was also concerned with the hours of the bike patrol (8 a.m. to 5 p.m.) because those were not the hours when there was trouble in the area. The hours from 11 a.m. to 9 p.m. were suggested.

Agency Member Foley referred to recommendation C2, and asked Ms. Brandt if she could provide examples of how the implementation strategy to develop a specific plan or overlay would work.

Ms. Brandt explained the Newport Blvd. Specific Plan included limitations and prohibitions of certain types of uses by block and the same strategy could be applied to West 19th Street. Staff had a functioning plan that had been in place for a number of years.

Agency Member Foley asked if the plan would prohibit certain types of uses, making the current uses legal non-conforming.

Ms. Brandt confirmed Ms. Foley's statement and added Council would have the ability to go through an amortization process of uses, if they chose. Staff would not allow uses that were discontinued for a number of months, to be reestablished.

Agency Member Foley stated she did not see an inclusion on liquor stores under recommendation C2 and asked if it was specific to service and non-profit organizations.

Ms. Brandt advised the Municipal Code had limitations on liquors. There were a number of existing regulations in place that helped limit the number of those types of uses.

Agency Member Foley stated recommendation C4 pertaining to the garbage dumpster standards was an excellent idea and should be implemented Citywide.

Chairperson Dixon opened the session for public comment.

PUBLIC COMMENT

Bill Turpit, 1772 Kenwood Place, Costa Mesa, suggested changing the D1 circles on the map to the specific boundaries indicated on the recommendation. He stated the Arts/Mix/use Sub-committee dealt with arts and mixed uses and not R1. The word "appropriate" in B1 referred to mixed use and bringing residential use that was compatible with industrial, in terms of residential over industrial properties. The sub-committee was deadlocked with the recommendation to expand it to cover the whole area and Mary Fewell suggested adding the word "appropriate". The sub-committee thought it might not be limited to only B1 areas and acknowledge there might be other appropriate areas. However, they did not say the entire area should be overlaying with residential or mix/use, nor did they promote spot zoning.

Agency Member Monahan clarified that recommendations on overlays were R2, medium density and not R1 as stated by Mr. Turpit.

Mr. Turpit responded he did not know the R-rating of a loft mix/use and the committee was not referring to single-family homes in the context of the mixed use/artist lofts.

Christian Eric, 1825 Placentia Avenue, Costa Mesa, also clarified that R1 was not mentioned in the discussions his sub-committee had. Perhaps R2 because they were simply looking at an overlay.

Agency Member Foley asked if recommendation B1 meant live/work, artist loft residential overlay zone or simply residential.

Mr. Eric concurred that recommendation B1 meant live/work, artist loft residential; hence the three designations.

Agency Member Bever stated a comma was missing in the recommendation if the committee's intention was to promote three designations - live/work, artist loft residential and general residential.

Mr. Eric stated the intention was to provide broad flexibility; however, City Council would determine the most appropriate.

Agency Member Bever asked if there should be a comma in the recommendation between artist loft and residential and Mr. Eric responded yes.

Agency Member Foley requested additional clarification because she had just heard two different recommendations from Mr. Eric. She felt it was important to understand the committee's recommendation with respect to generic residential or residential relating to live/work and artist loft.

Mr. Eric believed Ms. Foley was confusing the larger area (B1) with the 19th Street corridor.

Ms. Foley stated she was specifically referring to the B1 area.

Mr. Eric stated the committee considered the broadest, possible use of the B1 area. They opted to be less restrictive, allowing landowners to do the maximum with their properties. The committee had offered the terminology and it was now up to City Council and the experts to give the properties the greatest flexibility.

Agency Member Foley asked if within the stated flexibility, they would include single-family residential. Mr. Eric responded yes.

John Hawley, Westside business/property owner was representing the Westside Revitalization Association (WRA). He presented a map and reported several WRA members participated in the WROC process. The WROC recommendations were presented to the WRA Board of Directors and the Board voted unanimously to approve the WROC recommendations. The WRA preferred a unique community of live/work, artist lofts and residential where appropriate, as well as, preservation of existing business uses within the industrial zone. Many businesses in the industrial zone were second and third generation Costa Mesa family businesses that provided high quality jobs for Costa Mesa residents. The industrial area had businesses that gave the Westside of Costa Mesa a nation-wide identity. Mr. Hawley added that as the Agency made decisions regarding the Westside, he asked they look inside the buildings and see who the business owners were, and not just look at them from the outside.

Art Gorbaty, 1555 Mesa Verde Dr., #45D, Costa Mesa, stated there

was a lot of activity and business along Placentia. Instead of redeveloping, the Agency should develop what already exists. Designing an industrial park would generate more business, more taxes, and a limited mixing of homes and industry.

Ralph Ronquillo, Chairperson for the WROC, thanked the Agency for giving the WROC the opportunity to make recommendations, and Ms. Veturis for being the WROC liaison. For points needing clarification, he suggested Agency members take the WROC Implementation Plan and the WROC recommendations, and review the background material, as it contained comments that were written and received a 70% consensus.

Dan Gribble, 18th Street business/property owner and member of the WROC and WRA, stated the WROC Implementation Plan was an amazing process. Transition and the appropriateness of the land use were significant factors. The committee managed to reach a compromise amidst opposing interests. It was up to the Agency and Council to decide the future of the Westside and hopefully to do the best for the community at large and not any particular interest group.

Clinton Pace, Westside Costa Mesa resident, expressed concern as to why Westside residents had not been informed in regards to what was happening in their community. He did not have cable so he could not be informed. He thanked the WROC members for their work on the Implementation Plan but stated there were other issues on the Westside that the Implementation Plan did not address such as the enforcement of trucks on Monrovia and homelessness at Airplane Park. He thanked the Agency and said that everyone was working to do the best for Costa Mesa.

Agency Member Mansoor told Mr. Pace the Westside had received a lot of publicity in the local newspapers. Since Mr. Pace had Internet access, Member Mansoor suggested he check the City's website for more information and advised him that Council members were available if he had concerns or questions.

Chairperson Dixon added it would be advantageous for him to take a pro-active role to get the community involved.

Agency Member Monahan asked Mr. Robinson if commercial trucks were currently banned and there was no signage or, if the trucks were allowed and the City wanted to ban the trucks.

Mr. Robinson thought trucks were allowed but not on Monrovia, and would have to research the details.

Agency Member Monahan stated a comment had been made that the enforcement was not there. If the trucks were not banned, police enforcement would not be needed.

Regarding Agency Member Mansoor's comments, Mr. Robinson added the Redevelopment website (www.cmredevelopment.org) contained up-to-date information regarding the WROC.

Val Skoro, 859 W. 19th Street, Costa Mesa property owner, expressed concern with regards to dumpster requirements. Dumpsters should be required to have enclosures and not be loaded past the lid level to avoid unsightly and degrading properties. Non-compliant property owners should be fined. Another concern was the homeless problem because it affected the property values, as well as, a tenant's quality of life in the community. He had appeared before Council several times

with photographs and the problem was still very prevalent.

With regards to the dumpster problems, Chairperson Dixon asked Executive Director Lamm if it was a code enforcement issue that could be addressed.

Mr. Lamm explained trash overflowing was a code enforcement issue. Code enforcement actively patrolled the alleys of 19th Street and if someone reported an address, they would respond. Non-compliant property owners were being cited. However, there was a problem with illegal dumping and unsecured dumpsters being used by people from outside the area. Staff was working with the businesses regarding that problem.

Agency Member Bever referred to Section 20 pertaining to dumpster regulations and asked if it could be amended to require that businesses secure their bins to prevent illegal dumping.

Mr. Lamm responded it could be amended, however, dumpster problems had been occurring for years. When landlords secured the dumpsters, tenant access became an issue. The City code had been amended and there were sections that required more frequent pickups; therefore, staff informed landlords to have more frequent pick-ups. Under Title 20, Property Maintenance Standards, staff was going after certain property owners. There was 100% cooperation and the alleys looked better.

Chairperson Dixon felt there was only so much the community should put up with. The City may have to take it up to the next level with property owners who have constant problems or cannot control the problems, by making it a requirement that they secure their bins.

Martin Millard, 973 Harbor Boulevard, No. 264, Costa Mesa, 3R Committee member, referred to B1 and stated some people were mentioning the current industrial zoning was too restrictive and limiting the property owners. He suggested not doing away with all zoning and putting a series of overlays over the B1 area, allowing property to rise to its highest and best use, to allow business and property owners to take part in the free market economy. The Westside and Bluff area should be an evolution. He urged the Agency to enable the development of the B1 area, the way it should be developed in the free market economy.

Mirna Burciaga, 1778 New Hampshire Drive, Costa Mesa, 19th Street business owner, heard about the 19th Street Foot and Bicycle Patrol but was not seeing them patrol. She made a comment and 3 days later, they visited her business, as well as surrounding businesses. A concern she wanted to address was the increased gang activity, particularly in the area of Maple Street around Wallace. Residents complained about the increased gang activity and were being told that everything was under control and that gang members had been identified. Gang members were intimidating other teens and had vandalized the restrooms of her business. She did not feel the problem was under control and requested the City do something about it. She realized her concern was not part of the recommendation but felt she had to address it to avoid another Shalimar Street.

Chairperson Dixon closed the public hearing session.

Agency Member Mansoor thanked all of the WROC members for their time and effort in compiling the WROC Implementation Plan. He commended the committee for coming together on real specifics.

The proposal he was hearing was for the City to go in the general direction the committee was recommending. He felt it was critical for Council to start making decisions and formulating the direction they wanted to go with the particular area, and added that it was important to listen to developers and let the free market take its course.

MOTION

Agency Member Mansoor made a motion to receive the WROC Implementation Plan, transmit the WROC Implementation Plan to the City Council, not go forward with the 19th Street Project Area and disband the WROC Committee. Agency Member Bever seconded the motion.

Chairperson Dixon asked for discussion on the motion.

Agency Member Foley asked if disbanding the WROC had been discussed with the WROC.

Agency Member Mansoor stated his reasoning for disbanding the WROC was based on the fact that the Agency had received the WROC Implementation Plan. If the WROC remained as a committee, the Agency would continue to receive generalities and general consensus. He appreciated the WROC Committee but felt it was time for Council to act.

Agency Member Monahan asked Agency Attorney Hall Barlow if the motion to disband the WROC Committee was permissible within the Agency's notice requirements.

Agency Attorney Barlow Hall explained there was no action item on the Agenda to dissolve the Committee; therefore, it would be appropriate to give staff direction to return with a resolution at the next Agency meeting to accomplish that action.

Agency Member Mansoor asked if it would be appropriate if his motion was amended to recommend that Council disband the WROC Committee.

Agency Attorney Hall Barlow stated if the Agency formed the Committee, the Agency would have to disband it.

**SUBSTITUTE
MOTION**

Agency Member Mansoor amended his motion and directed staff return with a resolution to dissolve the WROC Committee at the next Agency meeting.

Chairperson Dixon asked if the maker of the second agreed. Member Bever concurred.

Agency Member Foley referred to recommendations in the WROC Implementation Plan that gave direction to form committees and asked Agency Member Mansoor if he was intending to eliminate the WROC from continuing to work in those areas.

Agency Member Mansoor stated his intent was to eliminate the WROC Committee and to bring to Council, as appropriate and over time, the recommendations in the WROC Implementation Plan that Council would want to go forward with. He added his motion stood as amended.

Agency Member Foley expressed appreciation to the WROC for their hard work over the years and phenomenal job of working, compromising and sharing views that were often in conflict. She was excited about the Plan, taking action and moving forward, as well as,

establishing revitalization in the area through some of the committee's ideas.

Agency Member Bever also commended the WROC members for sticking with it.

Chairperson Dixon concurred.

Approved and carried The motion carried, 5-0.

REPORTS

Executive Director None.

Agency Attorney None

Warrant Resolution CMRA-332 On a motion by Agency Member Mansoor, seconded by Agency Member Bever, Warrant Resolution CMRA-332 was approved.

ORAL COMMUNICATION None.

AGENCY MEMBER COMMENTS AND SUGGESTIONS None.

ADJOURN There being no further business for discussion, Chairperson Dixon adjourned the Special Redevelopment Meeting at 9:51 p.m.