

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

SEPTEMBER 13, 2005

The Redevelopment Agency and the City Council of the City of Costa Mesa, California met in a Special Joint meeting on Tuesday, September 13, 2005, in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. Chairperson Dixon, led the Pledge of Allegiance to the Flag, and then introduced the Sonora Elementary School Second Graders who sang the "Star-Spangled Banner" as part of the National Anthem Project. Chairperson Dixon called the meeting to order at 6:33 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
Neighborhood Improvement Mgr. Ullman
Management Analyst Berg
Executive Secretary Rosales

POSTINGS

The agenda for the Special Joint Redevelopment Agency and City Council meeting, and Notice and Call, were posted at the City Council Chambers, Headquarters Police Department, Neighborhood Community Center, Postal Office and Mesa-Verde Public Library on Thursday, September 8, 2005.

MINUTES

On a motion by Agency Member Monahan, seconded by Agency Member Bever, and carried 5-0, the minutes of August 9, 2005, were approved.

OLD BUSINESS

None

NEW BUSINESS

**Amendment to Agency
Bylaws Changing the
Redevelopment Agency
Meeting Order of
Business**

Executive Director Lamm reported that the order of business on the Council agenda was recently amended by City Council. As a result, Council asked the Redevelopment Agency to consider amending its agenda as well. The proposed amendment reflected a new order of business that would be consistent with the Council agenda. Not included in the amendment was changing the meeting time from 6:30 p.m. to 6:00 p.m., as staff felt the Agency had to make that decision separately.

PUBLIC COMMENT

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

**MOTION
Approved
Carried**

Agency Member Mansoor moved to approve the RESOLUTION OF THE COSTA MESA REDEVELOPMENT AGENCY BYLAWS CHANGING THE REDEVELOPMENT AGENCY ORDER OF BUSINESS FOR REGULAR MEETINGS. Chairperson Dixon seconded the motion. The motion carried 5-0.

**Appointment of
Redevelopment and
Residential
Rehabilitation (3R)**

Neighborhood Improvement Manager Ullman reported the 3R Committee, formed 16 years ago, served in the advisory capacity to both City Council and the Agency. The 3R Committee consisted of 11 members, 5 alternatives, and liaisons from the City Council and

Committee Members

Planning Commission. Currently, the 3R Committee had four alternate vacancies. Staff received seven interest forms, which were submitted for Agency review. The Agency could opt to appoint four of the seven applicants or leave the alternate positions vacant.

Chairperson Dixon called on Agency members for questions. Agency Member Mansoor asked if the alternate positions had been advertised extensively. Ms. Ullman advised that advertising for citywide committees (3R included), was handled by the City Manager's Office. Aside from being posted on the City's website, they also advertised on a selected list of publications

PUBLIC COMMENT

Chairperson Dixon opened the session for public comment.

Mike Berry, Meadowview Lane, Costa Mesa resident, said the 3R Committee was originally designed to make redevelopment and housing recommendations to the Agency. Lately, however, due to the lack of substantial Agency items, the 3R had been removed from conducting said responsibilities and was now selecting charity grants. He urged the Agency to compile a joint statement reflecting direction on Agency efforts.

Judy Berry, Meadowview Lane, Costa Mesa, voiced disappointment because charities that received funds from Costa Mesa were not providing assistance to the victims of Hurricane Katrina. She suggested the Agency, when awarding funds, take into consideration how the organizations are using the funds and what they are teaching the children.

MOTION

Vice-Chairperson Bever moved to fill the four vacancies. He nominated Cambria Briggs, Benjamin Kim, Robert Norling and Christian Olson. Agency Member Mansoor seconded the motion.

Chairperson Dixon said there were applicants whom she thought were appropriate. Each interest form was reviewed separately to give Agency Members the opportunity to nominate applicants.

**SUBSTITUTE
MOTION
Approved
Carried**

Agency Member Monahan made a substitute motion to nominate Cambria Briggs for one of the four vacancies. The substitute motion, seconded by Chairperson Dixon, carried 5-0.

**MOTION
Denied
Failed**

Chairperson Dixon moved to nominate Chris Sweeney. Agency Member Foley seconded the motion. Motion failed 2-3, Agency Members Bever, Mansoor and Monahan voting no.

**MOTION
Approved
Carried**

Agency Member Foley moved to nominate Yvonne Rowden. Chairperson Dixon seconded the motion. The motion carried 3-2, Agency Members Bever and Mansoor voting no.

**MOTION
Denied
Failed**

Chairperson Dixon moved to nominate Darren Tietgen. The motion, seconded by Agency Member Foley, failed 2-3; Agency Members Bever, Mansoor and Monahan voting no.

**MOTION
Approved
Carried**

Vice-Chairperson Bever moved to nominate Robert Norling. Agency Member Monahan seconded the motion. The motion carried 4-1, Agency Member Foley voting no.

**MOTION
Approved
Carried**

Vice-Chairperson Bever moved to nominate Christian Olsen. The motion, seconded by Agency Member Mansoor, carried 5-0.

REPORTS

Executive Director None.

Agency Attorney None.

WARRANT RESOLUTION CMRA-339 On a motion by Agency Member Monahan, seconded by Agency Member Mansoor and carried 5-0, Warrant Resolution CMRA-339 was approved.

PUBLIC COMMENT Chairperson Dixon opened the session for public comment.

Martin Millard commented on the importance of redeveloping the Westside in order to have a balanced city. He provided census information and stated that Costa Mesa had lost 32% of its middle-class population. He addressed graffiti issues and mentioned reading that Costa Mesa gangs were crossing over to Newport Beach. Costa Mesa was unbalanced due to its large industrial area, apartment complexes and “group” homes (single family homes occupied by multiple families). He emphasized the importance of building executive-style homes to attract an upwardly mobile population and urged the Agency to encourage home improvement and homebuilding in the Westside to assist Costa Mesa residents.

Agency Member Mansoor asked Mr. Millard where the gang article was published. Mr. Millard said it was in the Police Chief’s report.

Judy Berry, Meadowview Lane, mentioned that after the WROC met, she was under the impression that an additional area, down 19th Street, past Placentia, was going to be redeveloped. She asked what the status on the additional redevelopment area was. Executive Director Lamm explained that with only 9 years left of the Agency, the limited size of the area, and the area not meeting the blight requirements under the law, the Agency voted not to adopt any new project area on west 19th Street. On a positive note, Mr. Lamm announced it was an exciting time because two very impressive plans for the Westside - the 19th Street Urban Plan and the South Industrial, a major residential overlay zone - would hopefully be released by the middle of next week to City Council and the public.

There being no further public comment, Chairperson Dixon closed the public comment session.

AGENCY MEMBER COMMENTS AND SUGGESTIONS

Agency Member Foley thanked the second graders of Sonora Elementary, Principal Christine Anderson, Teachers Sally Chadwell, Judith Chambers, Norma Edelhauser, Suzie Farmsworth and the new Music Teacher, Linda Messenger. She stated that a national program, promoting patriotism and music appreciation in the community, had been established in honor of the birth date of the Star Spangled Banner. Sonora students were invited to sing the National Anthem to support patriotism, have good rapport with the school district and stress the importance of the National Anthem. Member Foley acknowledged Frances Scott Key, author of the Star Spangled Banner and gave statistical information regarding the Star Spangled Banner, school music programs and patriotism.

Vice-Chairperson Bever acknowledged and commended the enthusiasm of the Building and Planning departments with regard to the Residential Rehabilitation Improvement Program (RRIP). He invited everyone to visit the Second Floor and asked Executive Director Lamm to provide an update on the effectiveness of the RRIP program. Mr. Lamm reported it was standing room only on

the first day of the RRIP Program, which proved to be successful. City employees joined in on the enthusiasm by donning blue aprons and bibs, and decorating the Second Floor. During the month of September, homeowner workshops were being offered every Thursday nights. The crowds had tapered off somewhat and current staffing could handle it. In the end, it would be a very successful program.

Agency Member Mansoor stated that at a recent City Council meeting, graffiti in the flood control channel at Fairview Park, off of Placentia, was brought to the Council's attention. As a result, the County and Supervisor Silva's office were contacted and the graffiti was removed. He thanked Supervisor Silva's office, as well as, members of the public for speaking up and voicing their opinion.

Chairperson Dixon requested a copy of the 3R Committee's mission statement, to get a better understanding of their duties and possibly include new projects for the Committee to review and provide Agency direction on.

ADJOURNMENT

At 6:58 p.m., Chairperson Dixon adjourned the regular Redevelopment Agency meeting to a Special Joint Meeting with the City Council. She conceded the Chair to Mayor Mansoor

**CITY COUNCIL
ROLL CALL**

Council Members Present: Mayor Mansoor
Mayor Pro Tem Monahan
Council Member Bever
Council Member Dixon
Council Member Foley

OLD BUSINESS

**Housing Rehabilitation
Program and Funding
Plan**

Neighborhood Improvement Manager Ullman summarized a brief scenario of events leading up to the Agency's and Council's request for a funding implementation plan addressing the expenditure "pros" of the HOME and Redevelopment funds.

Ms. Ullman provided a background regarding the Rehab Program. She stated the City had two full-time staff to operate the Rehab Loan and/or Grant Program. One employee, however, was on long-term disability and would be out until January of 2006. She gave a description of the duties of the Rehab Coordinator, as well as, the duties of the part-time Neighbors for Neighbors Coordinator. She reported that since the May Agency meeting, they had received updated figures regarding available funds. Based on current estimates, there was approximately \$1,735,000 in both the RDA Low-Mod Housing funds and HOME funds. Splitting the funds between the Rehab and the First Time Home Buyer Programs would give each program approximately \$867,000. Based on the budget that the Agency approved in May for the existing Home Buyer Program, approximately \$1.6 million would be available once the revised program was implemented in November. This would result in approximately six loans if everyone took the maximum \$240,000 per loan. The remaining \$867,000 would go towards the HOME and Agency Rehabilitation programs. An estimated \$530,000 of the \$867,000, would be at risk and returned to the Federal Treasury if not spent by fiscal year 2007 (July 2007).

Various staffing options were prepared for the expenditure of the monies. Of all the options analyzed by staff, Option 1 was the recommended option because it entailed spending the Rehab funds over a 3-year period, adding 10 hours per week to the part-time

Neighbors for Neighbors Coordinator and adding a part-time (20 hours per week) Contract Rehab Inspector/Coordinator, for a total of 30 hours per week. Ms. Ullman presented the advantages to Option 1, and added that Option 1 allowed them to partner existing staff with a rehab firm without being exclusively dependent on a consultant.

Staff opposed Option 3 (full-time consultant) because few firms provided quality rehab services on a full-time basis. As a point of fact, Ms. Ullman mentioned that only one rehab firm out of five solicited, responded affirmatively to a recent short-term request for proposal to fill Mr. Miller's vacancy. GRC Associates was awarded the short-term contract; however, they did not have one full-time person to dedicate to the job and as a result, three consultants were working approximately 24 hours. Additionally, most rehab-consulting firms seldom had full-time senior employees to operate a rehab program. Ms. Ullman stressed that Option 1 offered the greatest flexibility and was the most efficient option.

Ms. Ullman also recommended increasing the loan amounts to \$50,000 because results of an Orange County and League of Cities survey revealed that raising the limits was in line with several California cities. Additionally, code violations alone could consume up to \$25,000 of the rehab loan amount, leaving little money for anything else. Due to the shortage of contractors willing to bid on relatively small construction jobs, Ms. Ullman felt that increasing the loan limits would improve response from the construction community. She concluded her presentation and welcomed any questions.

Council Member Bever referred to page 8 of the staff report and stated that the requirement that read, "estimated value of the eligible property, after rehabilitation, does not exceed \$598,000", would preclude a vast number of properties. He asked if the \$598,000 figure was flexible or if it was a federally mandated level. Housing Rehab Coordinator Berg explained it was an ongoing problem. The amount (\$598,000) was a Federal requirement that set the price at 95% of the median home price in the City. An annual survey was conducted every November, after summer sales were finalized. The survey's median home price was taken and the 95% calculated. A petition was then sent to the Federal Government and if approved, the amount was adjusted. The value amount, which increased by about \$100,000 a year, had been changing annually for the past 4 to 5 years. Ms. Ullman added that due to the price of homes, his year's survey had already been conducted.

Agency Member Bever acknowledged the clarification and stated the home price was a moving target. Ms. Ullman mentioned that the Homebuyer Assistance Program did not have a cap on the home price; therefore, homes requiring considerable work and unable to meet the HOME guidelines were processed through the Agency program.

Mayor Mansoor asked for any further questions or comments from Council members. There were none.

PUBLIC COMMENT

Mayor Mansoor opened the session for public comment. There being none, he closed the public comments session.

MOTION

Council Member Bever moved to approve Option 1, including raising the loan amount to \$50,000. Mayor Mansoor seconded the motion.

Council Member Foley referred to the comment regarding money consumed by code violation payments. She asked Ms. Ullman if the Agency could waive the code violations as they did with the Residential Rehabilitation Incentive Program (RRIP). Member Bever clarified that the code violation costs pertained to repairing problems, and not fines. Ms. Ullman added Rehab paid for the code violations and all the building permits.

Agency Attorney Hall Barlow asked Council Member Bever if he was acting as the Council or the Redevelopment Agency on his motion.

Mayor Mansoor asked City Attorney Hall Barlow if she wanted two separate motions. City Attorney Hall Barlow responded in the affirmative and stated the Agency had to act separately from the Council.

Agency Vice-Chairperson Bever stated since the Agency came first on the list, his motion was an Agency motion.

Voting as the Agency, Mayor Mansoor called for the question.

**MOTION
Carried
Approved**

On a motion by Agency Vice-Chairperson Bever, seconded by Agency Member Mansoor, and carried 5-0, the Agency approved Recommendation 1 approving Option 1 as presented, and Recommendation 2 that raised the Single Family Loan Limit to \$50,000.

Voting as City Council, Mayor Mansoor called on Council Member Bever to make the same motion. Council Member Bever stated that the Council motion was different.

**MOTION
Carried
Approved**

Council Member Bever moved to approve Recommendation 1, approving Option 1 as presented; Recommendation 2, that authorized the City Manager and/or his designee to enter into a professional services agreement with GRC Associates for an amount not to exceed \$79,200 per fiscal year with the option to renew for up to three years, and Recommendation 3, that raised the Single Family Loan Limit to \$50,000. Mayor Pro Tem Monahan seconded the motion. The motion carried 5-0.

REPORTS

City Attorney

City Attorney Hall Barlow reported the City Attorney's office had made a \$250 donation towards the Pajama Program and were happy to help.

City Manager

None.

PUBLIC COMMENT

Mayor Mansoor opened the session for public comment. There being none, he closed the public comment session.

ADJOURNMENT

There being no further business for discussion, Mayor Mansoor adjourned the Special Joint Meeting at 7:10 p.m.