REGULAR MEETING OF THE REDEVELOPMENT AGENCY

MAY 8, 2007

The Redevelopment Agency of the City of Costa Mesa, California, met on Tuesday, May 8, 2007, in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. Chair Bever called the meeting to order at 7:30 p.m. and led the Pledge of Allegiance to the Flag.

ROLL CALL Members Present: Chair Eric Bever

Vice-Chair Katrina Foley Agency Member Linda Dixon Agency Member Wendy Leece Agency Member Allan Mansoor

Officials Present: Executive Director Donald Lamm

Agency Attorney Kim Hall Barlow Neighborhood Manager Muriel Ullman Management Analyst Alma Penalosa Management Analyst Hilda Veturis Finance Director Marc Puckett

Budget & Research Officer Bobby Young Executive Secretary Martha Rosales Assistant Secretary Julie Folcik

III. CLERK'S STATEMENT

The Redevelopment Agency meeting agenda was posted at the City Council Chambers, Postal Office, Headquarters Police Department, the Neighborhood Community Center, and Mesa-Verde Public Library on Thursday, May 3, 2007.

IV. MINUTES

Meeting minutes for the regular meeting of February 13, 2007.

MOTION: On a motion by Agency Member Mansoor, seconded by Agency Member Dixon, and carried 5-0, the minutes of the regular Redevelopment Agency meeting of February 13, 2007, were approved as presented.

V. PUBLIC COMMENTS

Chair Bever opened the session for public comments. There being none, Chair Bever closed the session.

VI. AGENCY MEMBERS COMMENTS AND SUGGESTIONS

None.

VII. WARRANT RESOLUTIONS

1. <u>Ratify Warrant Resolutions CMRA-357, CMRA-358 and Approve Warrant Resolution CMRA-359.</u>

MOTION: On a motion by Agency Member Mansoor, seconded by Agency Member Dixon, and carried 5-0, Warrant Resolutions CMRA-357 and CMRA-358 were ratified, and Warrant Resolution CMRA-359 was approved.

VIII. OLD BUSINESS

None.

IX. NEW BUSINESS

1. Consideration of Budget Adoption for Fiscal Year 2007-2008

Finance Director Puckett reported that Mr. Young would be making the presentation. Mr. Young presented his staff report, which reflected the Operating Budget for the Costa Mesa Redevelopment Agency for Fiscal Year 2007-2008. He drew the Agency's attention to the "Summary by Funding Source" located at the bottom of page 1, as well as, the "Line Expenditure Revenue Listings" (Attachments 1 and 2), and the Agency's debt information (Attachment 4). He encouraged the Agency to adopt the resolution approving the Costa Mesa Redevelopment Agency Operating Budget for Fiscal Year 2007-2008, and added that staff was recommending a motion that would allocate any excess available funds in the low-to-moderate income housing to the First Time Homebuyer Program. Mr. Young advised staff was present to answer any questions.

With regards to the 1925 Pomona Project, Member Mansoor wanted to know the difference between a long and normal escrow, and asked if the project was complete and occupied. Neighborhood Improvement Manager Muriel Ullman reported 1925 Pomona was occupied; however, prior to taking ownership, occupants were required to complete a certain number of "sweat equity" hours. She added that occupants had completed their hours and staff was trying to close escrow by July 2007. Member Mansoor stated the escrow was intentionally long to give occupants time to comply with the sweat equity requirement. Ms. Ullman concurred.

Member Leece asked staff to define the Redevelopment and Downtown Project Areas, as well as, the location for the vehicle parking districts. She also questioned the consulting costs on Page 1 of 3 of Attachment 1 (proposed operating budget for low-to-moderate income housing), and asked what the Agency was consulting. Ms. Ullman advised that a few years back, the Agency was working on a major housing project for almost \$2 million dollars. The Agency decided not to go forward with the project and authorized half the funds to be disbursed to the First Time Home Buyer program, with the remaining funds allocated to the Rehabilitation program. A consultant had to be quickly hired due to staff shortage. The consultant worked 12 hours per week and assisted with rehabilitation and construction management for St. John's Manor. Recently, he also began assisting with the Bethel Towers project.

Member Leece requested an explanation regarding the \$100,000 set-aside for the 1901 Newport project. Mr. Young explained that Page 2, Section B, of the staff report provided a description of 1901 Newport development and the Agency's commitment of \$892,000. Rather than disbursing the full amount at the beginning of the project, the Agency decided to allocate \$100,000 each year. The Agency projected that when the time came for disbursement of the full amount, they would have the available funds budgeted in set-aside money. Member Mansoor added it was a subsidy that had to be paid and the Agency would disburse the funds later.

Chair Bever opened the session for public comments. There being none, he closed the session.

MOTION: Agency Member Mansoor moved to adopt the resolution approving the Costa Mesa Redevelopment Agency Operating Budget for Fiscal Year 2007-2008, and allocate any excess in the low-to-moderate income housing funds to the First Time Homebuyer Program. The motion was seconded by Vice-Chair Foley and carried 5-0.

X. REPORTS

- a. Agency Attorney None.
- b. Executive Director None.

XI ADJOURNMENT OF THE REDEVELOPMENT AGENCY MEETING

There being no further business for discussion, Chair Bever adjourned the Redevelopment Agency meeting at 7:38 p.m.