

CITY OF PASADENA
Community Development Commission Minutes
April 30, 2007 – 5:30 P.M.
City Hall Council Chamber

REGULAR MEETING

OPENING: Chair Bogaard called the regular meeting to order at 10:50 p.m.

ROLL CALL:

Commissioners:

Chair Bill Bogaard
Vice Chair Steve Madison
Commissioner Victor Gordo (Absent)
Commissioner Steve Haderlein
Commissioner Chris Holden
Commissioner Paul Little
Commissioner Joyce Streater
Commissioner Sidney F. Tyler

Staff:

Chief Executive Officer Cynthia Kurtz
General Counsel Michele Beal Bagneris
Secretary Jane L. Rodriguez

PUBLIC COMMENT

No one appeared for public comment.

HERITAGE SQUARE DEVELOPMENT PROJECT

Recommendation of Chief Executive Officer: It is recommended that the Pasadena Community Development Commission ("Commission") approve the terms and conditions of an Exclusive Negotiation Agreement ("ENA") with The Bakewell Company/Century Housing Corporation (the "Developer") in connection with the proposed disposition and development of Commission-owned real property located at 19-25 E. Orange Grove Blvd. and 710-790 N. Fair Oaks Ave. (the "Heritage Square Site") and that a ~~60~~ 120 day period of negotiations take place to agree upon the terms and conditions of the Development Agreement. During this period, staff will come back to the Commission at the 60th day with a progress report, at the 90th day with terms and conditions, and at the 120th day with a Development and Disposition Agreement (DDA). If an agreement cannot be reached with the Developer, then staff shall notify the Commission and begin exclusive negotiations with Southern California Housing/Union Station (the "Alternate Developer"), for a period of ~~60~~ 120 days. If no agreement can be reached with the Alternate Developer, then staff shall notify the Commission of the non agreement and seek further direction.

Advisory Body Recommendations:

Developer Selection Committee: At its meeting on March 31, 2007, the Developer Selection Committee selected the development team of The Bakewell Company/Century

Housing Corporation for staff recommendation to enter into an Exclusive Negotiation Agreement with the Commission.

Fair Oaks Project Area Committee: The Fair Oaks Project Area Committee, at its regular meeting on April 24, 2007, unanimously approved the following recommendation:

- (a) Designate The Bakewell Company/Century Housing Corporation as the sole developer finalist to enter into an Exclusive Negotiation Agreement with the Pasadena Community Development Commission; and
- (b) Do not direct staff to conduct any further evaluation of the two proposals.

Northwest Commission: The Northwest Commission supported the Fair Oaks Project Area Committee's recommendation of selecting The Bakewell Company/Century Housing Corporation as the sole finalist.

Community Development Committee: The Community Development Committee, at its regular meeting on April 26, 2007, unanimously recommended that The Bakewell Company/Century Housing Corporation move forward as the sole preferred developer.

The Chief Executive Officer introduced the agenda item, provided an overview of the project evaluation process, discussed funding sources that will be sought to fill the gap between the City's contribution to the project and the estimated project costs/revenues, and responded to questions.

Brian Williams, Assistant City Manager, reviewed the agenda report, and noted the following revisions to the above staff recommendation:

Per the Request for Proposals (RFP), the City will enter into an exclusive negotiation period with The Bakewell Company/Century Housing Corporation (the Developer) for a total of approximately 120 days. During this period, staff will come back to the Commission at the 60th day with a progress report, at the 90th day with terms and conditions, and at the 120th day with a Development and Disposition Agreement (DDA). If staff cannot come to an agreement with the Developer within the 120 day period, staff will notify the Commission and begin negotiations with Southern California Housing/Union Station (Alternate Developer). If after the same period of time staff cannot reach an agreement with the Alternate Developer, staff will notify the Commission and seek further directions.

Mr. Williams affirmed the City's contribution to the project as the value of the purchase price of the land (approximately \$9 million plus some added value that is currently undetermined); indicated the City was also offering to assist the Developer to locate and capture additional funds to close whatever funding gap there may be; and responded to questions.

Greg Robinson, Housing and Community Development Administrator, described the evaluation process and responded to questions.

Julie Romey, Keyser Marston Associates (KMA) representative, outlined KMA's role in the process, highlighted the KMA report, and responded to questions.

Discussion followed on the timeframe for the negotiation period; the evaluation criteria used in proposal review process; comparison and analysis of the financials for the proposals; issues related to identifying the funding gap for each proposal and the use of the KMA report showing KMA's data for the difference between the City's contribution to the project and project costs/revenues; and options and possible funding sources for filling the funding gap.

The following persons spoke in support of The Bakewell Company/Century Housing Corporation proposal:

Ishmael Trove, Fair Oaks Project Area Committee (PAC) member and Developer Selection Committee (DSC) Co-Chair

Ralph Poole, Fair Oaks PAC Chair and DSC member

Pastor Nicholas Benson, Fair Oaks PAC member

Georgia Holloway, Fair Oaks PAC member

Jim Morris, Pasadena resident

Danny Bakewell, Jr., The Bakewell Company representative

Danny Bakewell, Sr., The Bakewell Company/Century Housing Corporation representative

The following persons expressed concerns regarding the project/evaluation process and/or requested further evaluation of the proposals:

Michelle White, Affordable Housing Services representative

Rabbi Marvin Gross, Union Station representative

Alfredo Izmajtovich, Southern California Housing Development Corporation representative

Mark Leon, Pasadena resident

Discussion continued on the City's directions regarding the mix of housing for the project (affordable, workforce, mix of incomes, and mix of for sale and rental); guidelines used for evaluating the proposals; flexibility in defining the project; suggestions/preferences set out in the RFP; identification of the funding gap for each proposal; possible need for further analysis of the two top-rated proposals; methodology used in comparison of the proposals; and equity issues related to moving forward

and entering into or not entering into an Exclusive Negotiation Agreement (ENA).

Commissioner Tyler expressed concerns regarding the formation of a Review Team (staff) that was not called for in the RFP; evaluations that were performed on what appears to be two separate tracks using different criteria (Developer Selection Committee and Review Team); and the lack of a comparative analysis of the proposals.

The Chair expressed support for further review of the proposals from The Bakewell Company/Century Housing Corporation and Southern California Housing/Union Station as set out in the staff recommendation that was presented to the Fair Oaks PAC at the meeting of April 24, 2007, with use of a single optimal project that has been developed by staff in this review.

Commissioners Holden, Little, and Streater expressed support for moving forward with an ENA with The Bakewell Company/Century Housing Corporation.

Commissioner Holden stressed the need to give value to the community's evaluation and opinions by moving forward with the sole developer that the community has recommended.

Vice Chair Madison commented on the value of exclusive negotiating rights and the constraints placed on the City's options that can occur when entering into an ENA, and expressed concerns regarding the apparent ambiguity in the evaluation process.

Commissioner Haderlein expressed concerns regarding entering into an ENA without the availability of the financial information on the amount of the funding gaps and the possible funding sources to fill the gaps.

Staff distributed a memorandum/report dated April 24, 2007 to the Fair Oaks Project Area Committee from Gregory Robinson, Housing and Community Development Administrator re: Heritage Square Development Site; 19-25 E. Orange Grove Boulevard and 710-790 N. Fair Oaks Avenue; Designation of The Bakewell Company/Century Housing Corporation and Southern California Housing Development Corporation/Union Station Foundation/Triad Ventures as Developer Finalists for Further Consideration in the Heritage Square Request for Proposals Competition, which stated the following:

Recommendation:

It is recommended that the Fair Oaks Project Area Committee recommend to the Pasadena Community Development Commission ("Commission") that it take the following actions:

- (1) Designate The Bakewell Company/Century Housing Corporation and Southern California Housing Development

Corporation/Union Station Foundation/Triad Ventures as developer finalists for further consideration in the Heritage Square Request For Proposals competition in connection with the proposed disposition and development of Commission-owned real property located at 19-25 E. Orange Grove Blvd. and 710-790 N. Fair Oaks Ave. (the "Heritage Square Site"); and

- (2) Direct staff to evaluate the two proposals and return on June 4, 2007 with a recommendation to enter into an Exclusive Negotiation Agreement with one of the finalists.

FAILED MOTION

Following discussion, it was moved by Vice Chair Madison, seconded by Commissioner Tyler, to adopt the staff recommendation of April 24, 2007 (as cited above in the staff memorandum/report to the Fair Oaks Project Committee), with staff to return in early June 2007 with a more precise recommendation.

AYES: Commissioners Haderlein, Tyler, Vice Chair Madison, Chair Bogaard

NOES: Commissioners Holden, Little, Streator

ABSENT: Commissioner Gordo

Motion failed.

FAILED MOTION

Following additional discussion, it was moved by Commissioner Holden, seconded by Commissioner Little, to approve the Chief Executive Officer's recommendation, as revised above by the Assistant City Manager, with staff to return at the end of the 60, 90, and 120 days with the reports as stated above:

AYES: Commissioners Holden, Little, Streator

NOES: Commissioners Haderlein, Tyler, Vice Chair Madison, Chair Bogaard

ABSENT: Commissioner Gordo

Motion failed.

Commissioner Streator suggested the matter be continued to a regular meeting when all members of the Commission are present to consider the matter.

On order of the Chair, the above matter was continued to the meeting of May 21, 2007.

RECESS

On order of the Chair, the regular meeting of the Community Development Commission recessed at 1:24 a.m., May 1, 2007 to the regular meeting of the City Council.

RECONVENED

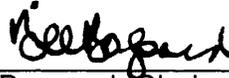
On order of the Chair, the regular meeting of the Community Development Commission reconvened at 1:29 a.m., May 1, 2007. (Absent: Commissioner Gordo)

MINUTES APPROVED

February 26, 2007
March 5, 2007

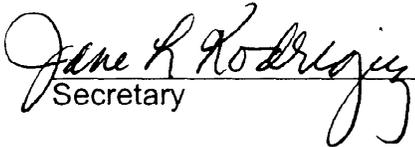
It was moved by Commissioner Streator, seconded by Commissioner Tyler, to approve the above minutes, as submitted. (Motion unanimously carried) (Absent: Commissioner Gordo)

On order of the Chair, the regular meeting of the Community Development Commission adjourned at 1:30 a.m., May 1, 2007.



Bill Bogaard, Chair
Community Development Commission

ATTEST:



Jane R. Rodriguez
Secretary