

CITY OF PASADENA
Community Development Commission Minutes
October 1, 2007 – 5:30 P.M.
City Hall Council Chamber

REGULAR MEETING

OPENING: Chair Bogaard called the regular meeting to order at 8:03 p.m.

ROLL CALL:

Commissioners:

Chair Bill Bogaard
Vice Chair Steve Haderlein
Commissioner Victor Gordo
Commissioner Chris Holden
Commissioner Steve Madison
Commissioner Margaret McAustin
Commissioner Jacque Robinson
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.

MINUTES APPROVED

September 17, 2007

It was moved by Vice Chair Haderlein, seconded by Commissioner Tyler, to approve the above minutes, as submitted. (Motion unanimously carried) (Absent: None)

SUBMITTAL OF TWO APPLICATIONS FOR HOUSING & HOMELESS PROGRAM FUNDING TO THE LOS ANGELES COUNTY COMMUNITY DEVELOPMENT COMMISSION

Recommendation of Chief Executive Officer: It is recommended that the Pasadena Community Development Commission ("Commission") adopt a resolution:

(1) Authorizing the Chief Executive Officer (CEO) to file with the Los Angeles County Community Development Commission (LACDC) two applications for Housing & Homeless Program (HHP) funds for a total funding request of \$1,186,720 for two projects; and

(2) Authorizing the CEO to negotiate and execute, and the Secretary to attest, the LACDC HHP Application and all other related documents, agreements, and amendments. (Resolution No. CDR-254)

Recommendation of Community Development Committee:

At the time of writing the agenda report, the Community Development Committee (CDC) had not met. They are scheduled to meet on September 27, 2007. Staff will give an oral update on the CDC recommendation.

Vice Chair Haderlein was excused at 8:04 p.m.

Anne Lansing, Program Coordinator, reviewed the agenda report, reported that the Community Development Committee had been unable to meet as scheduled on September 27th due to lack of a quorum, and responded to questions.

It was moved by Commissioner Holden, seconded by Commissioner Tyler, to approve the Chief Executive Officer's recommendation. (Motion unanimously carried) (Absent: Vice Chair Haderlein)

HERITAGE SQUARE PROJECT

Recommendation of Chief Executive Officer: It is recommended that the Pasadena Community Development Commission (Commission):

- (1) Endorse the project concept shown in Attachment A of the agenda report and direct staff to present it to the community including the Fair Oaks PAC, the Northwest Commission and the Community Development Committee over the next 45 days and then return to City Council for final approval;
- (2) Agree that no affordable family housing will be included as a part of the Heritage Square Development;
- (3) Reaffirm the City's financial commitment to the development will be the value of the land purchased at \$8.6 million; and
- (4) Direct staff to release a Request for Qualifications (RFQ) inviting development teams that have an interest in working with the City on this project to submit qualifications. The submission requirements and selection process are in Attachments B and C of the agenda report.

The Chair read a statement on the prior actions of the Pasadena Development Commission ("Commission") regarding the Heritage Square Project, the feelings expressed by the community regarding the Commission's actions on the project, the City's continued support of the project, his expectations regarding the competitive process, and the unintended consequences of the process to this time; expressed his regrets regarding the delay in the project, the loss of decorum that occurred in the Council Chamber, and impressions of disrespect of people involved in the process; apologized to those persons who may have felt insulted or disrespected; and stressed addressing the needs and opportunities of the entire Northwest. He suggested the Northwest Plan be reviewed for what has been accomplished, with the City to rededicate itself to what has not been achieved in the Plan.

Commissioners Holden and Gordo expressed support for the Chair's suggestion to revisit the Northwest Plan.

The Chief Executive Officer reviewed the agenda report, clarified staff's proposed developer selection process, and

responded to questions regarding the project concept and process.

The following persons expressed concerns regarding various aspects of the process and/or project:

Marvin Schachter, AARP and Pasadena Senior Advocacy Council representative
Karen Alexander, Pasadena realtor
D. Michael Gray, Renaissance Oak representative
Reginald Holmes, Renaissance Oak representative
Michelle White, Affordable Housing Services representative, submitted a letter dated October 1, 2007 stating concerns and suggestions.
Sylvia Hart, Pasadena resident
Candace McGee, Altadena resident
Leisa Alexander, Altadena resident
Sadara Shakoor, Pasadena/Altadena Black Coalition representative, submitted a letter dated October 1, 2007 asking for a response to questions regarding the Gowing investigative report dated July 24, 2007/Heritage Square Project.
Ishmael Trone, Fair Oaks Project Area Committee (PAC) member
Harden Carter, Pasadena/Altadena Black Coalition representative

Discussion followed on the impact of including workforce housing on the project financing; options for obtaining tax credits; possible risks to be assumed by the developer; the treatment of the project concept as three stand-alone components (rental affordable senior housing, for sale market senior housing, and family townhouses); development of a financial package for the project; affordable housing needs in the City; the need for specificity in the Request for Qualifications (RFQ); the developer selection process; the role of the advisory bodies in the developer selection process; problems with developing a pro forma as part of any proposed process; a workable timeframe to achieve community review and developer selection; possible modifications of the housing mix in the project as the community input is received and the staff evaluation/analysis of the project is done; and balancing community needs with making the project financially viable.

Commissioner Gordo suggested the process involve asking the Fair Oaks PAC, Northwest Commission, Community Development Committee, and other interested parties to provide input on defining the project as this relates to land use; then staff to evaluate/analyze the cost of the proposed project; then interested developers to confer with staff at a workshop regarding staff's evaluation of the proposed project; then a RFQ to be sent out after the workshop; and then the Commission to work with staff to select the developer.

Commissioner McAustin suggested the proposed RFQ be expanded to elicit specific developer information about the qualifications, history, and ability of the developer (e.g., experience in building affordable senior housing projects, experience with new market tax credits, projects that were built in Pasadena, record of success in paying their financing, any default on a project, if developer or partners have been subject to a lawsuit, nature of relationship and length of partnership, and any project(s) subject to foreclosure). She expressed support for review of the project concept as to land use by the various advisory bodies, including the Planning Commission and the community; with the RFQ to be released while the project concept review is being conducted; with an evaluation regarding feasibility of the project concept (as may be revised by the advisory bodies) to be conducted by staff; and with staff to provide a recommendation for the Commission's consideration after the RFQs are reviewed.

Commissioner Tyler voiced objection to ruling out affordable family housing as part of the project mix. He suggested the Commission review the RFQ prior to its release to prospective developers; and that the RFQ include submission of the developer's balance sheet, a complete audited financial statement, statement of owner's equity and liquid assets, and ability to cover shortfalls.

Commissioner Holden noted that the project concept has been defined and received community input, the determination of financial viability would be a part of the exclusive negotiation process with the developer, and the affordable family housing issue was part of a City policy decision that stated that affordable housing would be spread throughout the City; expressed support for advisory body reviews of staff's recommendation on the developer/team selection as set out in Attachment C, Selection Process for RFQ; and urged the Commission to move forward with the Chief Executive Officer's recommendation in completing the process.

Discussion continued on review of staff's developer selection/recommendation by advisory bodies; an option to conduct both an RFQ and Request for Proposals (RFP) process; and the RFQ process.

At the request of the City Manager, the Commission acknowledged that they were comfortable with the project concept presented in Attachment A of the agenda report, with the understanding that adjustments may need to be made in order to make the project financially feasible and perhaps in response to community input.

The Chief Executive Officer indicated that an independent financial feasibility analysis of the project concept (based on average costs for development) could be conducted as community review of the concept was occurring, with the understanding that the concept analysis might be adjusted as a result of the community review.

Commissioners Tyler and Gordo stated the understanding that staff could return to the Commission with a request to alter the City's financial commitment, if a benefit is shown or the Commission finds that such an action is needed to move the project forward.

MOTION

Following discussion, it was moved by Commissioner Holden, seconded by Commissioner Robinson, to approve the Chief Executive Officer's recommendations, as amended below:

- (1) ~~Endorse the project concept shown in Attachment A of the agenda report and d~~Direct staff to present it the project concept shown in Attachment A of the agenda report to the community, including the Fair Oaks PAC, the Planning Commission, the Northwest Commission and the Community Development Committee; over the next 45 days and then with an independent financial analysis of the project concept to be done, as outlined by the Chief Executive Officer above and as may be amended as a result of community review, with staff to return to City Council for final approval the Community Development Commission in December 2007 or sooner, if possible;
 - (3) Reaffirm the City's financial commitment to the development will be not exceed the value of the land purchased at \$8.6 million; and
 - (4) Following the Community Development Commission's review of the Request for Qualifications (targeted to be presented to the Commission next week for review), ~~D~~irect staff to release a Request for Qualifications (RFQ) inviting development teams that have an interest in working with the City on this project to submit qualifications. ~~The submission requirements and selection process are in Attachments B and C of the agenda report.~~
- (Motion unanimously carried) (Absent: None)

MOTION

It was moved by Commissioner Holden, seconded by Commissioner Robinson, to approve the Chief Executive Officer's Recommendation No. 2 to: Agree that no affordable family housing will be included as a part of the Heritage Square Development:

AYES: Commissioners Gordo, Holden, Madison, McAustin, Robinson, Vice Chair Haderlein, Chair Bogaard

NOES: Commissioner Tyler

ABSENT: None

Discussion continued on the selection process.

MOTION

It was moved by Commissioner Holden, seconded by Commissioner Robinson, to approve the Chief Executive Officer's Selection Process for RFQ (Attachment C of the agenda report), with the understanding that the Community Development Committee will not conduct interviews of the development teams:

AYES: Commissioners Holden, Robinson

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

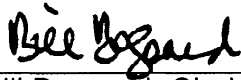
ABSENT: None

(Motion failed)

MOTION

Following discussion, it was moved by Commissioner Gordo, seconded by Commissioner McAustin, that after the scope of the project is finalized and the independent financial analysis of the project is done, the Chief Executive Officer will vet the qualified proposers and return to the Community Development Commission with a recommendation in December 2007. (Motion unanimously carried) (None)

On order of the Chair, the regular meeting of the Community Development Commission adjourned at 11:37 p.m.



Bill Bogaard, Chair
Community Development Commission

ATTEST:

Secretary