

CITY OF PASADENA  
Community Development Commission Minutes  
May 21, 2007 – 5:30 P.M.  
City Hall Council Chamber

REGULAR MEETING

**OPENING:** Chair Bogaard called the regular meeting to order at 7:52 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  
Acting Secretary Mark Jomsky

**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 East Orange Grove Boulevard and 710-790 North Fair Oaks Avenue (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 60<sup>th</sup> day with a progress report, at the 90<sup>th</sup> day with terms and conditions, and at the 120<sup>th</sup> day with a Disposition and Development Agreement (DDA). If an agreement cannot be reached with the Developer, the staff shall notify 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.

**Recommendation of Developer Selection Committee:** At its meeting on March 31, 2007, the Developer Selection Committee selected the development team of Bakewell Company/Century Housing Corporation for staff recommendation to enter into an

Exclusive Negotiation Agreement with the Commission.

**Recommendation of 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.

**Recommendation of 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.

**Recommendation of 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 Chair introduced the agenda item.

Brian Williams, Assistant City Manager, reviewed the staff recommendation presented in the report at the Community Development Commission meeting of April 30, 2007 as cited above, and as modified from the floor by staff at that same meeting and stated in the staff memorandum dated May 21, 2007 to include a 120-day (rather than 60-day) exclusive negotiation period with the following parameters: Staff would return to Council on the 60th day with a progress report. On the 90th day, a term sheet would be negotiated with the developer and by the 120th day, a Disposition and Development Agreement (DDA) would be reached. Mr. Williams also reviewed the additional information and clarification presented in the staff memorandum in response to Council's questions from the April 30th meeting. He discussed the Request for Proposals (RFP) process, and responded to questions regarding the proposal process.

Jim Wong, Housing and Community Development Administrator, outlined the RFP process and clarified components of the RFP; described the evaluation process used by the Developer Selection Committee (DSC); and responded to questions regarding information contained in the top two proposals, appraised value of the property, and the evaluation process.

Julie Romey, Keyser Marston Associates (KMA) representative, responded to questions regarding information contained in the KMA report on the proposals and issues related to funding the various proposals/projects.

The Chief Executive Officer discussed the changes from the original staff recommendation to the current staff recommendation as affected by the various advisory body recommendations; clarified the project requirements vs. suggestions in the RFP; and responded to questions regarding the RFP process, the proposal evaluation process, and the decision making on the timeframe for bringing the project to the Commission for consideration/action.

Brad Fuller, Assistant General Counsel, confirmed that he was not present at the DSC evaluation meeting of March 31, 2007; and responded to questions regarding whether or not the proposal evaluation instruments were public documents or confidential documents.

Commissioner Holden noted that the proposal evaluations by staff were consistent in ranking with the evaluations performed by the DSC.

Commissioner Tyler discussed concerns regarding the needs to more definitively determine at least a range for the funding gaps, to receive confirmation of the reasoning behind the proposal ratings, and to include the proposers' past performances on similar developments (due diligence) as components in reaching a decision on how to move forward in the process.

Discussion followed on perceived ambiguities in the RFP material, RFP process, and proposal data contained in various documents; the need for clarification of what components/elements of the RFP are required vs. suggested; evolution of the RFP components/elements; the Commission's direction on the mix for the development; issues related to identifying and filling possible funding gaps; criteria used in the evaluation process; distribution of the proposal evaluation materials to the advisory bodies; and issues related to attempts to compare diverse projects/proposals.

Discussion of this item was suspended at this time to allow the City Council to take action on a scheduled public hearing.

#### RECESS

On order of the Chair, the regular meeting of the Community Development Commission recessed at 10:13 p.m. to the regular meeting of the City Council.

#### RECONVENED

On order of the Chair, the regular meeting of the Community Development reconvened at 10:17 p.m. (Absent: None)

#### **HERITAGE SQUARE DEVELOPMENT PROJECT**

Consideration of the above agenda item continued with public comment. The Chair clarified the procedure to be followed

during public comment on the item as confirmed by the General Counsel.

The following persons spoke in support of the staff recommendation to move forward with exclusive negotiations with The Bakewell Company/Century Housing Corporation and/or expressed concerns regarding the process being followed by the Commission:

Gerda Govine-Ituarte, Pasadena resident  
Shirley Spencer, Pasadena resident  
Pastor Nicholas Benson, Fair Oaks Project Area  
Committee (PAC) member  
Carl Dickerson, Pasadena resident  
Reverend Eric Lee, Southern Christian Leadership  
Conference, California President  
Michelle White, Affordable Housing Services  
representative  
Lynne Hess, Community Development Committee member  
speaking as an individual  
Pastor Jean Burch, Community Bible Church  
representative, Clergy Community Coalition President,  
and Northwest Pasadena Development Corporation Vice  
President  
Maria Isenberg, Developer Selection Committee (DSC)  
member speaking as an individual  
John J. Kennedy, DSC Chair  
G. Allan Kingston, Century Housing Corporation  
President/Chief Executive Officer, submitted  
informational materials on the corporation.  
Lawrence Richards, Century Housing Corporation, Vice  
President of Real Estate Development  
Danny Bakewell, Sr., The Bakewell Company  
representative  
Barbara Bigby, Altadena NAACP President  
Dr. Sandra Thomas, Pasadena Altadena African-American  
Leaders Community Coalition Chair  
Toni Stewart, Pasadena resident, requested an audio tape  
of the proceedings.  
Aaron Abdus-Shakoor II, Altadena resident  
Rod Gaines, Los Angeles resident  
Georgia Holloway, Fair Oaks PAC member speaking as an  
individual  
Robert Barber, Northwest Commission Chair  
Ralph McKnight, Pasadena resident  
Sadara Abdus-Shakoor, Pasadena resident  
Joel Bryant, DSC member speaking as an individual  
Ishmael Trone, Fair Oaks PAC Co-Chair  
Pastor Camelia Joseph, Pasadena resident

The following persons spoke in support of the Southern California Housing/Union Station proposal:

Rabbi Marvin Gross, Union Station Foundation  
representative  
Christine Villegas, Southern California Housing  
Development Corporation representative

In response to Commissioner Gordo's questions, Rabbi Gross and Christine Villegas stated they would respond to any further questions posed by the Commission and staff, and would participate in negotiations with the Commission as the alternate developer, if the negotiations with The Bakewell Company/Century Housing Corporation were not successful.

Commissioner Holden expressed support for the proposal process and the flexibility and creativity it yielded.

#### MAIN MOTION

It was moved by Commissioner Holden, seconded by Commissioner Robinson, to approve the Chief Executive Officer's recommendation, as modified by the staff memorandum dated May 21, 2007, with the Commission's economic contribution to the project to be equal to the appraised value of the land.

Commissioner Tyler expressed concerns regarding the proposal process (i.e., changes to the scope of the RFP, to the mix of the project, and to the value of the land) and the impact of these changes when entering into an ENA with one developer, resulting in possible equity issues involving the other proposers (developers).

The Chair expressed concerns regarding the lack of Commission consultation regarding the composition of the DSC, lack of staff representation on the DSC, and effects of entering into exclusive negotiations; and support for moving forward with further discussions with the top two proposals.

Vice Chair Haderlein expressed concerns regarding the variations in the financial support information presented in the agenda materials and apparent disparity in the scope of the project.

Commissioner Gordo discussed the Commission's fiduciary responsibility regarding the project, and suggested obtaining answers to the four questions listed on Pages 4-5 of the staff memorandum dated May 21, 2007 from the top two developers and further defining a project to allow comparison of the proposals/projects before moving forward with an ENA.

Commissioner Robinson expressed support for entering into an ENA with The Bakewell Company/Century Housing Corporation based on the materials/information presented to the Commission and the work of the advisory bodies.

Commissioner Madison expressed concerns regarding the proposal process and moving forward with an ENA.

Commissioner McAustin expressed concerns regarding the difference in the definition of the project that went into the RFP process and any redefining of the scope of the project that may come out of the ENA process, and suggested the top two proposers respond to the issues identified by KMA before moving forward with the ENA.

Discussion continued on the procedures followed by the advisory bodies, changes during the proposal process, an option to move forward in negotiations with the top two proposals, the need for a clearer definition (configuration) of the project, and concerns regarding financial aspects of the project and possible subsidies.

The Chief Executive Officer discussed the relationship between an RFP, an ENA, and a DDA in terms of process.

#### AMENDMENT TO MAIN MOTION

Commissioner Gordo requested the maker and seconder of the motion to amend the motion and direct staff to refine the original RFP project to reflect how the Commission now wants the project to look, with The Bakewell Company/Century Housing Corporation to provide an amended proposal in response to the refined project and to include information on the financing of the project (direct and indirect subsidies), and with staff to return to the Commission with a full analysis of the project within 60 days and prior to moving forward with exclusive negotiations.

Commissioner Holden expressed concerns with staff and the developer working outside the process and adding time to the timeline set out in the staff recommendation.

Commissioner Gordo responded that is not the intent of his amendment, and clarified the proposed amendment is to stay within the parameters of the original RFP and refine what the Commission wants to see for that project. He noted this would expedite negotiations because there would be agreement on what the project will look like, and the Commission would have additional information on the financings, and there would be a level of comfort regarding the feasibility of the project.

In response to questions regarding staff providing additional financial information, the Chief Executive Officer responded that staff can report back in 60 days on the feasibility of the project, on financial caps for Commission resources, and sources and uses of funds to the extent that in 60 days staff will not be able to tie up exact sources of funding, but can provide potential sources and uses of funding and how realistic the funding sources are.

Mr. Danny Bakewell, Sr., spoke in support of the pending main motion and proposed amendment, and noted The Bakewell Company/Century Housing Corporation will work with staff if the Council approves Mr. Gordo's suggestion that staff conduct further review of the project configuration and financial feasibility before Council considers granting an exclusive negotiation agreement.

Following Commissioner Gordo's clarification of his proposed amendment, Commissioner Holden, the maker of the main motion, agreed to incorporate the amendment.

Commissioner Robinson, the seconder of the main motion, noted the timeline would still remain at 120 days, with staff reporting back in 60 days as to whether the negotiations will work out, and for purposes of clarity and moving forward, she would support the amendment.

Commissioner Gordo further clarified that his proposed amendment contemplates that staff will give the developer a clear idea of what the Commission is looking for as to the project, even if it is parcel-by-parcel, to avoid any further disputes as to what the developer is responding to and what the Commission wants. He noted this is in fairness to the developer and it will move the project along, and it offers an opportunity to give clear guidance to the Commission on the financials of what the Commission will be getting for any investments it makes.

**VOTE ON THE MOTION,  
AS AMENDED**

Following discussion, the vote was taken on the motion, as amended, to direct staff to refine the original RFP project (configuration) to ensure the project meets the needs of the Commission, with The Bakewell Company/Century Housing Corporation to provide an amended proposal in response to the refined project within the 60-day period. During the 60-day pre-exclusive negotiation period, City staff and the developer shall provide a detailed analysis regarding the feasibility of the project, and include information on the financing of the project, both direct and indirect subsidies, and a list of potential sources and uses of funding. Staff to report back to the Pasadena Community Development Commission within 60 days. (Motion unanimously carried) (Absent: None)

Commissioner Holden expressed appreciation to and respect for all participants in this process (advisory body members, developers, consultants, and staff).

**APPROVAL OF SUBMISSION OF THE 2007 CONTINUUM OF CARE HOMELESS ASSISTANCE APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

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

(1) Authorizing the filing with the U.S. Department of Housing and Urban Development (HUD), the 2007 Continuum of Care (CoC) Homeless Assistance Application for a funding request of \$2,699,950 for eleven projects; and

(2) Authorizing the Chief Executive Officer to execute, and the Secretary to attest, the 2007 Continuum of Care Homeless Assistance Application and all other related documents, agreements and amendments. (Resolution No. CDC-250)

**Recommendation of Community Development Committee:** The Community Development Committee, at its regular meeting on May 10, 2007, approved the recommendation.

Brian Williams, Assistant City Manager, summarized the agenda report.

It was moved by Commissioner Holden, seconded by Commissioner Robinson, to approve the Chief Executive Officer's recommendation. (Motion unanimously carried) (Absent: None)


MINUTES APPROVED

March 12, 2007

March 19, 2007

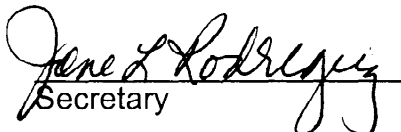
It was moved by Commissioner Tyler, seconded by Commissioner Robinson, to approve the above minutes, as submitted. (Motion carried, with Commissioner McAustin abstaining) (Absent: None)

On order of the Chair, the regular meeting of the Community Development Commission adjourned at 1:12 a.m., May 22, 2007.



Bill Bogaard, Chair  
Community Development Commission

ATTEST:

  
Secretary