

**CROSSROADS REDEVELOPMENT PROJECT AREA
PROJECT AREA COMMITTEE (PAC)
- SPECIAL MEETING -
FINAL - MINUTES OF THURSDAY, JULY 31, 2008**

The members of the Crossroads Project Area Committee (PAC) held their special meeting at the College Avenue Baptist Church, Visitor Center Building, 4747 College Avenue, San Diego, California, from 6:34 p.m. to 8:30 p.m.

Members present at Roll Call: Adam Futo, John Mireles, Daniele Laman, Anthony Lovio (left at 8:15 p.m.), Charles Maze, David Nelson, Jody Talbott, Kasra Movahedi and James Simon (left at 6:35 p.m.) [9]

Members that arrived after Roll Call: None

Members Not Present: Ali Binder, Jose Lopez, and Christine Van Sorensen [3]

Staff in Attendance: James Davies and Tracy Reed

Public in Attendance: Twenty seven (27) signed attendance sheet

Distributed: 1) Executive summary of PAC election ratification, 2) Rapid Bus meeting notice, 3) Code enforcement MOU and job descriptions, 4) Housing Commission's annual report for HELP, 5) North Chollas phase 1c improvements & park map, 6) funding summary for Village Green Apartments, 7) interoffice memo from planning division regarding El Cajon Blvd. mobility study, and 8) Letter from DWC requesting Agency consideration.

CALL TO ORDER: Called to order at approximately 6:34 p.m. by Charles Maze, Chair.

1. ROLL CALL: A quorum was established when 9 of the 12 PAC members were present and 3 positions are vacant.

2. APPROVAL OF AGENDA: for July 31, 2008

MOTION –Adam/Daniele: Approve Agenda with change 76th Street should be 67th Street sidewalks; passes (7-0-1c)

3. APPROVAL OF MINUTES: None.

4. COMMENTS ON NON-AGENDA ITEMS: (synopsis of comments)

Committee:

Charles: Tyler Shear hoped to attend tonight's meeting to discuss SDSU's new project but he was not able to attend.

Public: None

5. REPORTS: Elected Officials, Chair, Subcommittee(s) & Agency Staff

Tracy: CentrePoint LLC (DWC) has requested to go before the RA to seek their approval to sell the property to Trammell Crow Co., assign and amend the DDA. The amendment to the DDA is to revise the type from for-sale to rental. The underlying commercial zoning allows rental. They are proposing to reduce the square footage of all units (314) and the height of townhomes (97) to 2-stories. The proposed revisions to the approved entitlements could be approved under an SCR. RA staff and consultants will be reviewing the request and return to the PAC in August. The purpose of the PAC is to review the financial terms of the amended DDA. Our schedule is to take this request to the RA in Sept. or Oct. Distributed letter from DWC (July 17, 2008) regarding requested actions.

Margie: Why are they down sizing?

Laura: This is a different project.

Mitch: Does the commercial space remain?

Jan: Will they present the revised project to the community?

Scott: Is there a report?

Adam: So they are not reducing the density?

David N: This is a different deal/agreement.

Tracy: Distributed a DSD memo to CCDC regarding code enforcement funding and staffing.

I will be working with the RA staff assigned to City Heights to investigate sharing staff and funding. The recommendation from NCCD is to share fund and a two person team consisting of a zoning investigator and building inspector. Distributed a SANDAG Flyer, regarding the bus rapid transit project and they are seeking community participation.

Distributed the annual report from the Housing Commission regarding the HELP status, ten homes were rehabilitated in FY08. Distributed the July 29th PAC election ratification report we are awaiting the Mayors approval.

6. **OLD BUSINESS:** (synopsis of discussions)

- **UPDATE:** Site Assistance Agreement (SAA) with AMCAL for Aztec Inn Project.

Tracy: They have withdrawn their request for RA funding to demolish the existing structures. They are still reviewing their options to develop the property and could seek RA assistance.

- **DISCUSSION/ACTION:** North Chollas Park Improvements (Phase 1C), construction funding.

Tracy: Proposal is to construct a 1,800 sf multi-purpose bldg. consisting of restrooms, equipment storage and concessions stand. Estimated cost is \$1.1 million. Also install 2,500 linear ft. of utilities from College Grove Dr. to bldg. (water, sewer, electric & telephone). Estimate cost is \$1.54 million. Estimated total project cost is \$2.64 million which includes contingencies. Staff proposes providing \$1.1 of project area funds and a loan of \$1.54 from the State I-Bank. The annual loan payment would be approximately \$150,000 per year. Our schedule is to take this obligation to the RA and CC by the end of the year. Staff is recommending a funding obligation not to exceed \$3,000,000 that could be contributed over a 2 to 3 years and would return to the PAC if the loan is not approved.

Adam: This improvement is part of the implementation plan. This will involve a lot of work. Sooner is better than later.

David: I am against funding this improvement and motion.

Jody: David the North Chollas Park improvements are in the implementation plan.

MOTION – Daniele/Adam: Approve proposal as recommended, with loan and funding not to exceed \$3 million; passes (6 - 1 [David] – 1c).

Tracy: I will return to the PAC regarding the loan application.

7. **NEW BUSINESS:** (synopsis of discussions)

- **DISCUSSION/ACTION:** Owner Participation Agreement (OPA) with Wakeland Housing for Village Green Apartments @ 4175 Bonillo Dr., rehabilitation funding.

Tracy: The OPA is for acquisition and rehabilitation loan for 94 units built in the late 1960's. Wakeland Housing currently has a consultant conduct interviews with existing tenants to prepare a survey. Some existing residents will be displaced and relocated. The possibly of existing residents remaining depends on household income. Currently the Average Median Income (AMI) @ 100% is \$72,000. Those numbers are based on household size regarding number of persons & bedrooms. Our schedule is to take this OPA to the RA in Sept. or Oct. Today we are seeking a recommendation from

the PAC regarding financial participation. Crossroads: \$ 2.8 mil (low-mod), College Grove: \$5k (low-mod), Agency Opportunity Fund: \$3 mil (low-mod), Housing Commission \$1.5 (plus additional costs). The estimated total cost today is \$7.8 mil.

Jack Farris: (w/Wakeland Housing) Introduction. Provided the PAC with a description of the project and stated that the purchase agreement is to close in October. Will expand the community center and provide solar power for center. Will be converting one unit to into an office, a computer center and we are having discussions with SDPD to provide office space for officers to write reports. This would allow the officers to remain in the area while writing reports. Schedule is to finalize funding in March 2009 and then begin rehabilitation at the time. Finish rehabilitation by Jan. 2010.

Tracy: This proposal also involved a 4% tax credit application which means the project area will not receive any property tax from the development but the project area will share in the residual receipts which will compensate for the lost tax increment. This development will also help the project area meet its affordable production requirement for the current implementation period.

Charles: What about existing residents?

Jack: We current estimate that 75% of the current residents will qualify to remain. We may have to relocate 23 to 24 occupied units/residents. Since relocation will not occur for 1 to 1½ years we expect the numbers to decrease.

Charles: Are the current residents on yearly or monthly leases?

Jack: Most of the current residents are on yearly leases.

Carlos de Baca: (w/ SD Housing Commission) Introduction. Our purpose is to identify as much funding from other sources and prior to providing commission funding.

Rebecca Louie: (w/Wakeland Housing) Introduction. There are federal rules that we must comply with regarding relocation. A relocate may be entitled to 4 years of rental assistance depending on their household income and a lot of other factors. Wakeland and its staff have a lot experience regarding rehabilitation. The affordability restriction will be for 55-years. The residual receipts from the development will be divided accordingly with all participants.

Carlos: The funding required has risen \$500k since in order for Wakeland to implement security improves on site as recommend by a consultant/SDPD and in response to the Eastern Area comments.

David: What is the purchaser price? These buildings don't appear to be in bad shape. There are other apartments in the area that need work. What is the community benefit?

Rebecca: The purchase price is \$13.2 mil. Those other apartments would need a much larger subsidy. This property is currently for sale those other are not.

Audience: What are the rents?

Adam: Could someone explain residual receipts?

Frank Getzel: (w/Wakeland Housing) Introduction. Tried to explained residual receipts. The simple answer is they are the income from the property. They will be divided per participation. After the loan is repaid, in about 35 years, this amount will increase substantially.

Laura: Since the relocation could affect more the 20% of the current residents you need to return to the Eastern Planning Committee. I do not like the 55-year affordability restriction that will be place on the property. I understand the production requirement but I do not like it. I have and explained the issues with a 25 unit affordable development across the street from my home. Would like to know what level of responsibility,

management or supervision the HC has regarding 4238 54th Place?

Carlos: HC has worked with Wakeland on 7 projects and there have not been any management issues.

Kasra: Expressed concern with drawing a line between income in order to separate the good and bad.

Adam: What is the relocation distance or radius for a comparable unit and rent?

Rebecca: Relocation funds can be used for a down payment on a purchase.

Mitch: What will the residual receipts be? We should have those numbers.

Anthony: Since it is up for sale anyone could purchase the development.

Carlos: Another buyer would not have to or be required to rehabilitate.

John: I think we should continue this item until the August or September meeting in order to have more financial information.

Adam: Rehabilitating this development will help the commercial area along University Ave. This is within our purpose.

Charles: We need more information regarding what the residual receipts will be and how they replace the property tax that we will lose.

Committee: What is the timing of this proposal/recommendation? I am concerned about the rush to make a recommendation/decision. Could they return to our August meeting?

Let's table our action on this item until August. We need more information.

MOTION – **Adam/David**: Recommend approval of OPA has presented, fails (3-4 [John, Daniele, David, Jody] -1c).

MOTION – **Daniele/John**: Reconsider approval of OPA at next meeting, passes (6-1-1c).

Charles: I recommend that PAC members visit the property prior to the August meeting.

Rebecca: I can be reached s 619-235-2296 and would be willing to provide member with a tour.

Committee: We need more information; 1) about the residual receipts, 2) how residual receipts work, 3) current property tax, 4) potential financial impact on project area, and 5) what is the project area budget for affordable housing. A goal should be to identify more suitable multiple family properties (apartments) for rehabilitation and possible purchase/acquisition.

- **DISCUSSION/REVIEW**: El Cajon Blvd Street Light improvements, installation funding.

Tracy: Last year RA staff, per PAC request asked Eng. to analyze the lighting along ECB regarding city standards. The report indicated that 34 additional lights would be required to comply with lighting standards. The current estimate for installing 34 lights is \$400k.

Several months ago the College Heights EMAD allocated \$160k (40%) towards the improvement. Today RA staff is requesting the PAC recommend to the Board the remaining funding \$240k (60%) for this improvement. Staffs schedule is to take this improvement obligation to the RA Board and CC later this year.

Committee: Does the lighting along Streamview Drive comply?

Tracy: I will request Eng evaluate.

MOTION – **Jody/Daniele**: Recommend funding not to exceed \$240,000 for 34 streetlights for El Cajon Boulevard, passes (6-0-1c).

- **DISCUSSION/ACTION**: Amherst St. & 67th St. Sidewalk improvements, construction funding.

Tracy: Earlier this year I received a letter from some senior residents who live along Amherst St. indicating a lack of sidewalks along 67th which prohibited them from

accessing services and business along ECB. I forwarded that letter to Eng. After the evaluation Eng. designated this improvement a priority. The report indicates that approximately 800 linear feet of new curb, gutters and sidewalks are necessary. The estimated cost is \$280k. Eng. has identified funding of \$180k. They are seeking RA providing \$100k. Today RA staff is requesting the PAC recommend to the Board providing \$100k for this improvement. Staffs schedule is to take this improvement obligation to the RA Board and CC later this year.

David: We should solicit participation from the adjoining property owners. There is an area along Fox Canyon that does not have sidewalks, it is on a curve and 200 school children have to walk in the street. This should be priority.

Tracy: Please provide me with information about this site and I will forward it to Eng.

Committee: We should have some discussions with the property owners.

Audience: This area is not included in the current sidewalk study?

MOTION – **Kasra/Daniele:** Approve up to \$100,000 for sidewalks along Amherst St. pending potential participation from adjoining property owners/residents, passes (6-0-1c).

8. NEXT MEETING DATES & TENTATIVE AGENDA ITEMS:

- **September 25, 2008** – If necessary
- **October 23, 2008** – Brown Act & Conflict of Interest and HELP revisions/status
- **November 13, 2008** – If necessary

Adam: We may be revising the Housing Subcommittee.

Daniele: *We need to approve the minutes at a full meeting.*

Jody: I have been speaking to the College BID regarding the commercial rehabilitation program and the feedback I received is the business and property owners do use the current program because of the red-tape.

Tracy: Anyone interested in being an executive of the PAC please contact me before next months meeting.

9. ADJOURNMENT:

MOTION – **Jody/Daniele:** Passes (6-0-1c).

Prepared: 08-19-08 twr

Revised: 09-01-08 twr

Draft (Final) Approved:
Motion was by: Daniele/Ali

Revisions are in: *Double Underlined and Italic*
PAC vote was: 12-0-1c