

**NORTH PARK REDEVELOPMENT
PROJECT AREA COMMITTEE (PAC)
REGULAR MEETING MINUTES**

Tuesday, November 9, 2010

San Diego National Bank (6th Floor), 3180 University Avenue, San Diego, CA
92104

Comments and PAC actions relating to items on today's agenda are noted herein.

I. ROLL CALL & INTRODUCTIONS

The chair convened the meeting at 6:05 p.m. [Restroom codes: (M) 6820 (F) 8246]

Kirsten Clemons	Present	Judi O'Boyle	Present
Patrick Edwards	Present	Lachlan Oliver	Absent
Don Leichtling	Present	Robert Steppke	Present (arrived 6:08)
Roger Lewis	Present	Mark Stern	Absent
Valerie Loy	Present	James Tinsky	Present
Lucky Morrison	Present (arrived 6:35)	Mary Wilkinson	Absent

II. ADOPTION OF AGENDA

Motion (O'Boyle/Leichtling): *To adopt the agenda as drafted.*

Passed (7-0-0)

III. APPROVAL OF MINUTES

Motion (Leichtling/O'Boyle): *To adopt the October meeting minutes as drafted while noting 'Item E' actually failed because the PAC bylaws, under which the annual meeting is set forth, required a two-thirds vote to pass*

Passed (7-0-1) Abstaining: Clemons (not present at the October meeting)

IV. ELECTED OFFICIALS REPORTS

Anthony Bernal, Council District 3 North Park representative, went over some election results including the failure of Prop. 'C' resulting in reduction of recreation center and library hours among other probable reductions in services. Bernal, noting recent discussions in public media regarding bankruptcy, indicated the city attorney has offered his opinion that initiating it could result in a state supreme court trial and has recommended against such action. He informed that the location of the winter homeless shelter has been adopted and it is to be placed in District 8

V. PUBLIC COMMENT

Local resident Brandon Cohen, brought up concerns he and his neighbors have with the setting up and taking down of staging in the late night and early morning hours the for recent event taking place in the surface parking lot behind the theater.

Jim Schneider, executive director of the Adams Avenue BID, informed the PAC that the revitalization effort taking place in the 30th and Adams Ave. area will produce some funding requests of the PAC for business development in the near future.

VI. CHAIR'S REPORT

Chair Clemons noted she had nothing to report.

VII. ACTION/DISCUSSION ITEMS

A. Recommendation on Additional Agency Assistance to Community Housing Works for the Florida Street Apartments Affordable Housing Project

Michael Lengyel of the agency initiated the discussion by passing around the latest monthly cash balance/expenditures spreadsheet as well as the PAC housing policy. He noted again that the 20% set aside portion of project area funding now is pooled between the seven San Diego project areas so any additional funding would come from this pool. The North Park project area has met and exceeded the required affordable units as determined in relation to existing market rate housing, and that as other project areas are still at a deficit, a certain number of the affordable units in this project would be created to the College Community Project Area. Dave Gatzke, representing Community Housing Works (CHW), gave a presentation focusing on this project reviewing things such as location, design, and finally original and now reconfigured funding. He noted that CHW's recent efforts to acquire 9% tax credit subsidies were unsuccessful in competitions with seven other applicants in the first round and with six others in the second. This environment is requiring higher levels of local funding to be competitive. Therefore at look at the non-competitive "4%" program is being pursued which leaves a gap of approximately \$2.5M. This program allows the project to be built while the application process is moving forward and it was learned the some additional funding is potentially available through the Multi-Family Housing Program, (MHP), in the amount of approximately \$50M in 2011. This will re-set level of target AMI per unit at an average of around 60% to be competitive. If this particular funding is acquired it would reduce the request of additional agency funding from \$2.5M being requested to \$.5M. Gatzke also noted that the value of individual tax credits has recently risen from \$.82 (cents) per share to \$.89 a share. CHW is asking for additional funding of up to \$2.5M with determination of the actual amount to occur in 2011. Gatzke explained CHW is also asking for an adjustment in the residual interest rate on the agency loan, a requirement in order to qualify for the 4% tax credits. CHW is also asking for flexibility now to be able to determine at a later point what the target affordability rate will be in order to be competitive which would then require an extension of the window on setting those parameters of the agency loan to be able to apply for the MHP funding.

Public Comment: Lynn Elliot asked for clarification on the request regarding whether additional funding from project areas is involved. Gatzke confirmed CHW is asking for additional funding.

PAC Discussion: Leichtling asked what would happen if the PAC recommended for the lower end of the request, (\$.5M), and the tax credits were not acquired. Gatzke noted the impact of inflation, noting that if it were to increase over a longer waiting term the value of the tax credits would diminish. Ann Wilson, (CHW), noted the highly competitive nature of highly subsidized projects in our local environment and as such the probabilities of winning continued to not look good. She noted they are, and will continue to be, aggressive in going after all options, and she encourage the PAC to fund the \$2.5M understanding they will go after the MHP funding as well. Edwards asked what the total land acquisition and construction coast are now estimated at and the projected range of affordability. Gatzke responded with a project cost \$29M and indicated the highest potential for AMI between 50%-60%, but with MHP financing unit AMI could drop

down to 39%. O'Boyle asked what the AMI of the other project on Florida was and also how many projects currently being put forward have been funded. Anne Wilson noted that the project being asked about is likely around 45% AMI given it was a 9% tax credit project. She also noted that three local projects utilizing 4% tax credits have been completed. Steppke asked for more clarification about the reduction (increase) in affordability being requested. Lengyel noted that of the \$3.8M loan, \$550,500 had already been disbursed for relocation and to clear the site, the most recent bond proceeds included \$2.9 million for construction and the remaining 10% percent would be disbursed out of low-mod funds after the project is completed. Clemons asked for clarification regarding the up front funding request being requested and the increased in the listed developer fee. Gatzke answered CHW is asking for an additional \$500K up to front to bring it to \$1.5M and the developer fee to \$1.4M, (the max allowed), as pursuing the 4% tax credits allows this fee to go up as high as to \$2.5 which allows the request to be for higher based upon the higher development cost required. Continuing he noted that CHW would then be able to actually use the increment if approved to be moved back directly into the project.

Motion (Edwards/O'Boyle): *Recommend an allocation of up to \$2.5 million from the housing pooled line of credit bringing agency funding to a total of \$6.3M, including an additional advance of \$500K while raising the developer fee to \$2.5M with intention of returning \$1.1M to the project and the additional option of CHW raising the affordable AMI target rental rate levels in order to be able to pursue 4% tax credits, AHP and MHP funding possibilities.*

Discussion:

Passed (9-0-0) Opposed: none

B. Consideration of Allocating \$25,000 to Hire a Consultant to Develop a Master Plan for Public Art in the North Park Arts & Culture District.

Amy Paul, Co-chair of NP for the Arts, spoke in support of the funding request to engage the assistance of a consultant in providing the framework for future arts incorporation in the district. She noted NP for the Arts is comprised of local and artist oriented businesses and would be active in assisting the consultant in preparation of this plan. Lynn Susholtz explained the consultant would help the community in establishing the criteria for the inclusion of public art, programmatic considerations, and standards in all upcoming development. She noted the community plan update process is not incorporating this currently and this would help define what the community would request/require as it grows.

Public Comment: Jasmine Li, an arts-business woman, voiced her strong support for initiating this. Liz Studebaker, North Park Main Street, noted Main Street's support and recalled the effort it took just a few years ago to get well designed and well made art in the garage banners project and how that effort could have been assisted by a local arts 'plan'. Jin Su asked if the request was for the full funding amount for such an effort on the assumption there would be no other additional funding from other sources and also asked about who all this applies to. Susholtz noted this request was for full funding and it would cover location policy, art inclusion and design. Mathew Cirulo noted his feeling that a master plan is a necessity for future artist/businesses coming into North Park. The director of SD Art Institute noted that they have some oversight over North Park for Arts and their concern is that if North Park is to be an arts district it should look like one. He noted his organization's involvement is to work for 'art in the community' to include actually installing art.

PAC Discussion: Leichtling questioned the area coverage of this plan, if it was being relegated to University Ave. Morrison noted his support for having a thorough/baseline plan establishing criteria for decision making going forward. Edwards asked if at the

\$25K level whether an RPF is necessary and if the PAC be able to make the decision on the consultant as well as whether the resulting product could be shared with other local bodies such as Main Street. Lengyel noted an RPF would be required and the PAC could have as much input in developing it as it desired and that the resulting product definitely could be available for use by these other such organizations. O'Boyle asked why we couldn't just give the contribution to a non-profit to do art or make it available for art. She noted her concern that this could be accomplished through a non-profit. Paul noted a lot of discussion has already taken place on the formation or track this would follow and noted the raw/un-experienced nature of knowing where to start. Susholtz noted that a consultant could help lead. Lewis stated his belief that there be a finite task/goal to be achieved and this would best be accomplished with the aid of an experienced consultant bringing all potential ideas together. Doing this, he added, would also insulate the non-profit from being questioned or targeted for biases, preferences, etc. by individual project proponents. Lewis also asked about the actual consultant rate based on other efforts for such work. Susholtz noted that "actuals" for experienced consultants come in at \$30-50K. Clemons asked about the requirement for an RPF to compete if the funding was going to non-profit. Lengyel noted that he still believed it would be. Tinsky noted his recent experience has been to hear the question often of what makes it North Park an 'Arts District' and aside from some historical facts he has to offer the questioner, he'd like to see it formalized in a document of criteria and standards to be referenced. Steppke noted his concern with the amount being requested not being sufficient and resulting in an inadequate word document. Clemons noted she was seeing a general consensus among the PAC for funding such an initiative. Morrison noted his feeling that we need to acquire a level of expertise for such a project.

Motion (Leichtling/Morrison): *Recommend funding and establishing an RFP for an arts consultant to assist the community and local arts to develop an arts master plan for Great North Park adoptable by other community organizations.*

Discussion: General discussion about the scope of coverage and availability for adoption by other local organizations.

Passed (9-0-0) Opposed:

C. Review of Request for Qualifications for Management of the North Park Parking Garage at 3829 29th St.

Lengyel gave some background on ownership of the garage, including the past responsibility for selecting the garage operator that belonged to Bud Fisher the developer, but he is no longer in that position. Lengyel noted he wanted to have the PAC review the RPF, comment on it and get it out for proposal. He noted it has to be a fixed based contract, not contingent on revenue generation.

Public Comment: none.

PAC Discussion: Leichtling offered the RFQ should be advertised in the 'Parking Today' publication and having a PAC representative taking part in the selection process. Morrison suggested that any contract at least include defined criteria to be met, such as signage being placed, cleaning, security, etc. Lengyel agreed the PAC could provide clearly defined management requirements. O'Boyle noted her belief that a single operating business could apply and asked if benchmarks could be included, such as performance based metrics. Lewis and Morrison both suggested that while an applicant should have demonstrated experience with like size operations but that management can not be expected to meet performance metrics. Lewis noted the PAC and agency needs to provide the direction it believes will increase use and require the management company to do it. Morrison suggested we put together our list of complaints about prior management to be included. Clemons asked about reducing term of management to allow for review. Lengyel noted that if it were too short it may hinder interest. Edwards

asked for confirmation that the contract going forward does not include the flat lot. Lengyel confirmed this to be the intent.

Motion (Leichtling/Edwards): *Staff to prepare and post an RFQ for garage management as based on the guideline and criteria discussed.*

Discussion: Some PAC discussion on a representative to take part.

Passed (9-0-0) Opposed:

Motion (Lewis/Edwards): *Judy O'Boyle to serve on selection/review committee.*

Discussion: none.

Passed (9-0-0) Opposed: none

D. Recommendation on Holding a December 14th Special PAC meeting

Lengyel noted there are issues with health and safety behind the theater being to be considered. Additional items discussed would be the El Cajon lighting and JIB blight consideration, and possibly Shirley Ann Place.

Public Discussion:

PAC Discussion: .

Motion (Clemons/Edwards): *To hold a special December meeting to address pressing requests.*

Passed (9-0-1) Opposed: Tinsky

VIII. SUBCOMMITTEE/LIAISON REPORTS

A. Maintenance Assessment District (MAD)

Agreed to a new trashcan placement, and additional tree trimming.

B. Project Area Improvements

Leichtling reported that possibility of using an architect at no cost has arisen on the Boundary Project.

C. North Park Community Plan Update

Steppeke noted city may try to have an early December review meeting.

D. Green/Sustainability Initiatives

Tinsky reported he and Mark Stern met to discuss next steps including meeting with the funding recipients to go over the process and to review as much as possible the checklist before sending to the consultant for finalization.

E. Multi-Family Development

No report.

IX. STAFF REPORTS/PROJECT UPDATES

A. Garage Art Project

Larry Stein finally has scanned all the provided by Blair Thornley and he is ready to send up to Los Angeles for printing which could take three weeks. Consider an additional two weeks for framing so project opening could be in January.

B. North Park Mini-Park

No report.

C. Eminent Domain Extension Blight Analysis

No report.

D. Other

Lengyel passed out the monthly project status spreadsheet and announced there were six response received to the Woolworth building RFP although one was not complete, (a bowling alley proposal), the other five are for mixed-use projects. The intention to start review process is in early December.

X. REQUESTS FOR NEXT AGENDA

- A. Jack In the Box
- B. Theater surface lot miss-use
- C. El Cajon lighting project
- D. Blanket statement on free parking for event in garage.

XI. ADJOURNMENT

Motion (Edwards/Morrison): *To adjourn at 8:27p.m.*

Passed (9-0-0)