

**NORTH BAY REDEVELOPMENT
PROJECT AREA COMMITTEE**

Minutes of Meeting

June 2, 2010

The meeting was called to order at 7:39 AM by Chair Christopher Clifford. Proceedings ensued as follows:

1. ROLL CALL / PRELIMINARY MATTERS

Members present: Brian Apramian, Jeff Barfield, Chris Clifford, Candice Disney Magnus, Sam Duran, Robert Durgan, Patricia Garcia, Robert Kanters, Joe Mannino, Clifford Myers, Dale Pursel, Kurt Sullivan, and Dorothy Surdi.

2. MINUTES OF PREVIOUS MEETINGS

Mr. Dale Pursel moved, Sullivan seconded, to approve the April 7, 2010 PAC minutes as amended. Mr. Kanters requested that the minutes be amended in regards to the Analysis of a Proposed Redevelopment Plan Amendment to Extend Eminent Domain Authority for 12 Years motion to include the right to stop the studies at any time. The PAC voted 8-0-2. Mr. Apramian and Mr. Mannino abstained.

3. COMMUNICATIONS AND PUBLIC COMMENT

A. Public Comment

- Joe Mannino thanked Urban Corps for hosting the meeting.

B. Update from City Staff

- Staff thanked the Urban Corps for hosting the meeting.
- The Agency budget will be heard by the Agency Board on June 22.
- The Housing Commission miscalculated the amount of funding it had available to fund Mission Apartments. The Project has been placed on hold until additional financing can be identified.
- Robert Chavez requested that the Mercado del Barrio item be removed from the agenda. The Project will be seeking another funding source.
- Peninsula YMCA – Member Brian Apramian asked when we expected to bring the Y's marketing plan back to the PAC. A discussion ensued about the intent of the previous motion on the item. The PAC requested that the specific loan language be provided to the PAC prior to the information being presented including default ramifications.

Note: Informational and Action Items were taken out of order on the Agenda but are reported here as they were listed on the agenda.

4. INFORMATIONAL/ACTION ITEMS

A - PAC Renewal and Annual Election – Staff provided an overview of the purpose of extending the PAC and holding the Annual Election. Mr. Mannino moved, Ms. Surdi seconded, to extend the PAC for another year and to hold the Annual Election. Motion passed 10-0-0.

B - Proposed FY2011 Budget – Staff provided an overview of the proposed FY2011 budget. The proposed budget would have an estimated \$7.1 million in capital funding and an estimated \$1.7 million in housing funds for the FY2011. A discussion ensued. Mr. Kanters moved, Mr. Pursel seconded to approve the proposed budget as presented.

- C - 2010 Low/Moderate Housing Bond Allocation – Staff provided an overview of the proposed 2010 Low/Moderate Housing Bond Allocation. The Agency would like to issue a pooled series of tax allocation bonds secured by housing tax increment revenues from Crossroads, North Bay, NTC, City Heights, North Park, and San Ysidro project areas. Each project area has sufficient resources available to cover the annual debt payments associated with its portion of the debt proceeds. Funds not used in the project area will be available to other project areas through the Affordable Housing Opportunity Fund. The potential proceeds from North Bay is \$11,280,000. Of this amount \$8,600,000 will be used to pay off the current line of credit. Mr. Mannino moved, Mr. Kanters seconded to recommend that the Agency proceed with issuing a pooled housing bond. The motion passed 10-0-0.
- D- Mercado del Barrio Development Affordable Housing Funding Request – Robert Chavez requested the Chair to place the Mercado del Barrio item back on the agenda. Robert provided background information on the Mercado del Barrio redevelopment project located in the Barrio Logan Project Area. The Mercado del Barrio project has been in the works for over 20 years. The 6.8 acre site will be developed by developers Shea and Chelsea. The project will contain 80,000 square feet of commercial space with Northgate market as the anchor tenant and 92 units of affordable housing (includes 1 manager unit). The total project cost is \$58 million dollars. The project currently has a gap of \$16 million. The proposal to fill this gap includes a \$7 million commitment from the Housing Commission, \$2.3 million from the North Bay line of credit, and \$1.7 million from the San Ysidro Project Area. Additional funds will be available when the 2010 allocation bonds are secured. The developers plan to apply for Federal Tax Credits in the July 2010. Due to timing issues, staff is requesting \$5.1 million in North Bay Low/Mod Housing Funds to be used as a backup until the tax allocation bond funds are available. A discussion ensued. Members expressed a desire to use the funds for an affordable housing project that demonstrates need and community support, and in the appropriate area. Members also asked questions concerning the worst case scenario if other funds are not available. According to staff, the worst case scenario would be the \$5.1 million being committed to the project and not available for North Bay Projects. Mr. Mannino moved, Mr. Duran and Ms. Surdi seconded to approve up to \$6 million of North Bay affordable housing funds for the Mercado del Barrio Project as a stopped gap measure until the tax allocation bonds are issued. If not, we would be committed to expend up to \$6 million. Ms. Surdi called for the question. The motion passed 10-0-0.
- E- Five Points Mural Project Artwork Presentation – Staff provided an update on the Five Points Mural Project. Research determined that there is lighting available under the bridge for the artwork. It may need cleaning or upgrading since it was installed in the late 1960s. Uptown Partnership has surveyed the community and has determined that the creation of a Maintenance Assessment District is not feasible. Uptown has also met with the City Attorney's Office to discuss the possible use of parking meter funds being used for maintenance. It was determined that maintenance is not an allowable use. Pedro Alonso, the Curator from the Museum of Contemporary Art (MOCA), presented and explained the mural concept designed by artist Shepard Fairey. The Curator discussed the artwork's purpose is to create a destination for the neighborhood, not to promote or give an identity to the neighborhood. A discussion ensued. One member expressed concern about using tax increment funds for art work.

Members were reminded that an action was taken on the funding at the last meeting. Today the focus is the approval of the artwork which was a component of the prior motion. Members asked specific questions concerning the art images. Concerns were expressed over the appropriateness of the artwork for the area, the images meanings and if any subliminal messages were represented. Members expressed concerned about what type of people it would attract to the neighborhood. Mr. Mannino moved, Ms. Surdi seconded not to support the artwork as presented unless the Marines, the Airport, and the Community support the project. Before the motion was voted on, the motion was restated to reject the expenditure of the \$40,000 based on the lack of the approval of the artwork. The motion passed 7-0-1. Mr. Durgan abstained. (Two members left during the discussion).

F- Informational Presentation- Proposed Redevelopment Plan Amendment – Process and Blight Study Presentation – Michael Garcia from Tierra West presented an informational presentation on the components of the blight study and potential timeline for the Plan Amendment process. The presentation also mentioned that as part of the amendment process an environmental document will be prepared and publicly noticed. A discussion ensued. Members asked questions about the different definitions of blight, who has the authority to use/give eminent domain, and stressed the fact that they would like to see eminent domain used sparingly in the Project Area. Members mentioned that the Project Area has seen very little changes since the adoption of the Plan. It was discussed that the amendment would not modify the Project Area’s boundaries. The members agreed to continue to move forward with the blight study with the understanding that the work is required before a decision can be made about the plan amendment.

5. COMMITTEE REPORTS

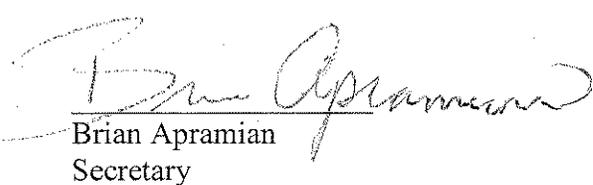
Due to time constraints no reports were given.

6. ADJOURNMENT: The meeting was adjourned at 9:44 AM

Dated: June 2, 2010
Lydia Goularte-Ruiz, Assistant Project Manager

Approved by vote of the Committee on _____, 2010.


Christopher Clifford
Chair


Brian Apramian
Secretary