

A REGULAR MEETING OF THE NORTH PARK
REDEVELOPMENT PROJECT AREA COMMITTEE (PAC)
Tuesday, May 13th, 2008 at 6:00 p.m.
San Diego National Bank, 3180 University Ave. (2nd floor)
San Diego, CA 92104

The members of the North Park Project Area Committee (PAC) held a regular meeting at the above time and place. Notice was posted for purposes of the Brown Act at the City Administration Building at least 72 hours before the meeting.

The attendance of the committee members was as follows:

Stephanie Cass	Present	Roger Lewis	Present
Kirsten Clemmons	Present	Judi O'Boyle	Present
Patrick Edwards	Present	Wally Orsatti	Present
Jordana Goff	Present	Travis Sizer	Present
Dawn Griffin	Present	Robert Steppke	Present
Don Leichtling	Present	John Zolezzi	Present

City and Agency Representatives:

Michael Lengyel and Michelle Rosenthal of the Redevelopment Agency and Monica Pelaez, Representative for Councilmember Toni Atkins, were in attendance.

I. Call to Order & NPPAC Member Announcements

The meeting was called to order at 6:04 p.m. Roll was called and a quorum was established.

II. Adoption of Agenda

MAD update was not properly noticed as an Action/Discussion Item and was requested to be added as agenda item VII(G).

Motion (O'Boyle/Edwards): To adopt the agenda of the May 13th, 2008 meeting as amended.
(Passed – 10/0/1-Zolezzi)

III. Approval of the Minutes

Minor changes to the meeting draft meeting minutes for the April 2008 NPPAC were noted and changed. Steppke brought up the fact that with the doors being locked last month that it could be an unintentional violation of the Brown Act. Steppke also noted that the meeting continued even when Clemons noticed the committee that the doors were locked though near the end of the meeting. Discussion revolved around when the committee became aware of the issue, and other related discussion issues such as the stairwells being locked to access the second floor and the elevator doors being inaccessible. The problem has been intermittent and ongoing for years. Beebe noted that a new location would solve the problem. Lewis noted that the door is usually propped open with the rug in the foyer. Griffin said she would discuss the problem with the building owner. O'Boyle noted she did not receive notice of the meeting in the mail and other new committee member concurred.

[Don Leichtling arrives at 6:16 p.m.]

Motion (Cass/Edwards): To adopt the minutes of the April 11th, 2008 NPPAC meeting with the changes noted.

(Passed - 12/0/0)

IV. Elected Officials' Report

No reports provided.

V. Public Comment

Elizabeth Studebaker of North Park Main Street (NPMS) noted that the 12th annual North Park Festival of the Arts would be held on Sunday, May 18th from 10 a.m. to 6 p.m. and provided fliers for meeting attendees. The City's Redevelopment Agency is providing free parking at the North Park parking garage. Studebaker also noted that NPMS' ballot to expand the BID area passed and needs to be confirmed by City Council.

Zolezzi noted that this meeting was his last official meeting and that he will no longer be serving on the NPPAC moving forward. Griffin noted that a residential tenant representative would be needed to fill Zolezzi's vacant seat.

VI. Chair's Report

Griffin noted that the Redevelopment Agency will have a booth at the North Park Festival of the Arts on Sunday, May 18th and distributed a sign up sheet for committee members to volunteer to staff the table.

Griffin passed out a list of CCAC members that serve downtown area that is posted on the City's website as an example of what she would like NPPAC to also have posted online so that members of the community are more aware of who their representatives are on the NPPAC.

Griffin noted her involvement in the recent North Park clean-up event noting that she observed numerous attendees who thoroughly enjoyed being involved. Griffin participated in the State of the District address with Toni Atkins' office where she was able to meet many City Council officials and candidates. Griffin attended the City Budget event at the Weingart Library and was pleased that the Mayor accepted and responded to all questions that were submitted in writing by attendees.

Griffin reiterated her previous request for NPPAC committee members to get more involved in the community. She also revisited the complaints she noted in last month's meeting that she heard from residents at The Renaissance Apartments.

VII. Action/Discussion Items

A. Boulevard Apartments Request to Pursue Additional Financing from the Housing Commission

NPPAC awarded 2.4 million dollars was awarded to SVDP Management, a division of St. Vincent De Paul, at their August meeting to assist with a 24 unit very low income housing complex on El Cajon Blvd. called The Boulevard Apartments. The Agreement between SVDP Management and the Redevelopment Agency precluded SVDP from pursuing other forms of funding from the City. However, there is still an existing funding gap that needs to be filled totaling \$600,000 which SVDP is able to receive from the City's Housing Commission, but only if NPPAC waives the funding cap in the original Agreement.

O'Boyle asked if SVDP expected lower bids for construction given the change in the local construction market. A representative for SVDP noted some increases and decreases in the bid process but none have been solidified.

Further discussion revolved around whether SVDP knew that the original request made to the NPPAC was not sufficient to cover the full costs of the project and why SVDP would have signed the Agreement with the City knowing that was the case. Lewis clarified the funding gap dollar amount is \$600,000 and is the same as what was first discussed with the City. Lewis asked why the clause was in the City's Agreement originally anyway. Lewis noted the dollars are already appropriated, and Griffin clarified that since the gap was known and the total cost for the project was \$3 million rather than \$2.4 million, why SVDP would have signed the Agreement knowing they would need additional gap funding. The SVDP representative noted that the clause surprised them and was not caught by their legal staff when reviewing it. SVDP assumed they would approach the Housing Commission for the loan, and it be approved by the City Council. Goff asked if SVDP had a contingency plan in place in case the NPPAC was unwilling to remove the funding cap language from the Agreement. SVDP noted they would have to approach foundations and solicit grants and donations such as capital campaigns for funding if that was the case.

A member of the public asked, since SVDP is faith-based, if they would require Boulevard residents to attend religious services. The SVDP representative said they do not require religious service or religious faith to participate and that no services will be held at the location.

O'Boyle asked whether the location could be sold. SVDP replied that the State requires the property to be held for 55 years.

Leichtling asked about the additional security lights and other safety features discussed at the original PAC meeting when the funds were approved and whether those enhancements would be included in the project. SVDP noted that those suggestions have been looked into and that additional exterior lighting is being incorporated into the project.

Cass asked why SVDP didn't approach other sources from the onset when they knew there was a funding gap. SVDP noted that the Housing Commission is supportive of the project and was the first place they would approach in terms of assisting with funding dollars needed to complete the project and that HUD and tax credit sources of funding have strict deadlines for construction. Zolezzi noted that with the full funds requested and approved by the NPPAC previously already being dispersed and with the possibility of construction costs being decreased, if the funding gap been reduced? SVDP noted they will still need \$150,000 more once the gap has been funded.

Griffin noted that with \$2.4 million already provided and an Agreement signed that limited the dollars, why hadn't SVDP asked for the full dollar amount originally? Lengyel noted that the NPPAC was comfortable with providing \$100,000 per unit. Leichtling noted the pattern of requesting funding and receiving it and then coming back to the NPPAC for additional funding. Leichtling noted that moving forward, that discussions regarding funding gaps should be brought forward at the onset to avoid any confusion. Griffin noted a possible trend with repeated requests for funding projects moving forward and whether the NPPAC can require disclosure regarding private funding. Clemons clarified that the request is for a waiver to the contract to allow additional gap funding from the Housing Commission and that the funding would not come from the NPPAC or Redevelopment Agency. Lengyel clarified that any decreases in construction costs over the original request would first be refunded to the Redevelopment Agency before the Housing Commission for instance, if the gap funding dollars were not used in their entirety.

Motion (O'Boyle/Leichtling): That the NPPAC waive the maximum \$2.4 million funding provision in the OPA contract regarding The Boulevards Apartments project so that SVDP Management can request a loan from the Housing Commission to cover the funding gap of approximately \$600,000 without the need to repay those dollars to the Redevelopment Agency.

(Passed 10/2/0- Zolezzi & Edwards Against)

B. Termination of PAC Membership

Griffin noted that NPPAC will have an open Residential Tenant seat available at the next meeting and that Orsatti's attendance has not been consistent. Steppke clarified that the Bylaws Subcommittee discussed what 'year' meant and that it applies to the term year. For instance, upon being seated and a year from them, three consecutive absences would be means for termination. For purposes of when the bylaws were passed, they took effect in March to correspond with year terms. Section I pertaining to removal of members notes they 'may' be removed, and that removal is not mandatory but rather, can be addressed on a case-by-case scenario. Beebe clarified how term years are calculated. Leichtling asked about keeping the ratio of elections each year to 50%. Rosenthal noted that in some instances, NPPAC appointees would only serve until the next election rather than to the end of their replacement's term. Beebe clarified that a 'year' truly begins in March of each calendar year in terms of determining absence that may trigger the termination section.

In terms of filling the Residential Tenant seat vacancy, the committee clarified the best way to recruit for vacant seats such as at the Redevelopment Agency's booth at the Festival of the Arts. Leichtling advised also advertising the vacancy in the North Park News and on the NPCA web site. It was noted that the deadline for the North Park News' next edition had already passed. The Filling of Vacancies section in the bylaws was also discussed in terms of when a vacancy is publicly noticed to be filled. It was discussed that Orsatti's absence whether excused or not at the last meeting would count against him in terms of termination of membership and would not note extenuating circumstances that the front door was locked. It was noted that those extenuating circumstances be noted in the meeting minutes of the April meeting.

Motion (Edwards/Orsatti): To solicit applicants regarding the NPPAC Residential Tenant seat vacancy at the Festival of the Arts Redevelopment Agency booth, at the public library and through the NPCA website and newsletter, Redevelopment Agency's web site informing them to contact the Redevelopment Agency for qualification purposes and attend the next NPPAC meeting.

(Passed – 12/0/0)

Motion (Steppke/O'Boyle): To update the April meeting minutes to note Orsatti's extenuating circumstances regarding his inability to attend the April 2008 NPPAC meeting due to the door to the building where the meeting was held being locked.

(Passed – 10/1/1 – Leichtling Opposed, Orsatti Abstaining)

C. Eminent Domain Extension

Lengyel noted that the NPPAC is unable to conjoin with other PAC's in terms of pooling funds for the blight study and that it would not change the geographic area of the NPPAC. It was noted that the NPPAC would not expend any dollars until the two propositions on the June 3rd ballot that pertain to Eminent Domain are voted upon. O'Boyle asked whether the dollar amount for the blight report is noted during the RFP process or not and then those

that respond note what they can accomplish for that dollar amount. Lengyel clarified that the scope is submitted as an RFP and that each respondent provides the dollar amount they would need to complete the scope of the request. O'Boyle asked if there was a way to better specify the qualifications of those that respond to the RFQ. Lengyel noted that the proposals will come back in June, a month later than what's noted in the timeline provided, and that a representative from the PAC would be on the review committee. Edwards noted that in light of the new North Park library that will probably happen within the next five years, the ability to use Eminent Domain could be important.

Motion (Edwards/Lewis): Instruct staff to move forward with the extension of eminent domain authority process using the amended timeline provided.
(Passed 12/0/0)

D. Proposed Parking Garage Rates for North Park Main Street Merchants

Motion (Lewis/Cass): To accept the proposed discounted parking garage rates for NPMS merchants on a six month basis that was distributed at the May NPPAC meeting.
(Passed 12/0/0)

E. North Park Mini-Park at 29th and University

Lengyel noted that the consultant that was the first choice of the committee was selected for the park project and that according to the schedule, the park project will go to City Council in July. It's anticipated that there will be a kick-off meeting for the project in the fall.

Lengyel noted that the NPPAC had previously allocated \$1.3 million for the streetscape improvements along 29th St. However, \$1.43 million is actually available, and the full amount is recommended for streetscape improvements along North Park Way and that any remaining dollars can be used for the 29th St. Park or allocated to Park & Rec. Department for instance. Leichtling suggested the parking area be used as a skate park in the meantime though liability issues were noted as a concern. Steppke noted concerns about going over budget.

Motion (Lewis/O'Boyle): To recommend that the NPPAC support using the full \$1.43 million available in the PAC line of credit to be appropriated for the 29th St./North Park Way-related streetscape improvements.
(Passed 9/1/2 - Steppke opposed, Sizer abstaining, Edwards recused)

[Leichtling leaves at approx. 8:20 p.m.)

F. Streetscape/Sidewalk Improvements

Redevelopment Agency staff is looking for feedback on using \$2 million of tax increment funds for sidewalk and streetscape improvements and where those funds should be focused so that action can be taken at the June meeting.

Public comment noted that there are no lights in mid-block on any streets that run North/South north of El Cajon Blvd. such as along Oregon and Arizona. It was suggested that the funds be used for solar-powered street lighting and tree landscaping. Edwards noted that the MAD is the appropriate venue to address the residential landscaping needs. The member of the public noted that the MAD does not provide service to his area. It was noted that the Agency can allocate funds to the MAD for installing street lights which came up in a meeting a few weeks ago. Lewis noted that PAC dollars are supposed to be used

for public facilities, amenities, and projects up and beyond those dollars in the City's General Fund that should be used for infrastructure and maintenance. O'Boyle noted that the MAD has significant dollars for streetscape improvements and installing lights in residential areas. She noted that individual homeowners did not want street lights shining into their homes.

Griffin noted that, at the Mayor's budget meeting, it was noted that funds have been earmarked for potholes, general repairs, and maintenance and that the PAC is not responsible for maintaining the neighborhood at a basic level. The committee was asked to bring suggestions for sidewalk and streetscape improvements to the next meeting.

G. MAD Update

Steppeke noted that the MAD board voted on various types of tree and are awaiting bids on painting the light installations along El Cajon Blvd. O'Boyle requested that Steppeke find out how much money is in the MAD budget currently and report back at the next NPPAC meeting. It was noted that \$50,000 of Community Development Block Grant (CDBG) available for tree grates and 10 trash bins.

VIII. Staff Report/Project Updates

Michael Lengyel and Michelle Rosenthal provided updates on current redevelopment projects and initiatives.

A. Lyric Opera Liquidated Damages Reconsideration

The resolution between the North Park Theater and the Redevelopment Agency was approved by the City Council. The Agency is waiting for Leon Natker of the North Park Theater to return late in the month to sign the promissory note.

B. La Boheme

C. Renaissance at North Park

Interfaith housing sent out a questionnaire to residents regarding the standard of living. The results from approximately 1/3 of the residents indicated that most residents were satisfied with the services and quality of life at The Renaissance. Reese of Carter Reese is attempting to remove the lien from the area that includes the Community Center, but if they don't have the funds to pay it, the bank may foreclose on it, at which point the City could then purchase it from the bank.

D. Boulevard at North Park

A site extension permit has been requested. Issues are being addressed by Council member Toni Atkins' office.

E. 31st and University Revitalization

A market study for the area commonly referred to as Drowsy Maggies is being conducted and should be ready for the June PAC meeting. The study may also include the vacant lot behind the building.

F. Housing Enhancement Loan Program (HELP)

City Council will vote on the HELP at the June 17th or 24th council meeting. Other PACs in San Diego are using NPPAC's as a model. If it is approved by Council, the Housing Commission will actively promote it within the community.

G. Storefront Improvement Project (SIP)

City Council will vote on the SIP at their May 27th meeting, and their decision will come back to the NPPAC at the June meeting.

H. Garage Art Project

The garage art review committee received 15 proposals that were whittled down to 5 candidates. The committee is sending either rejection letters to respondents or asking them to continue in the selection process which will allow for public comment. When asked to give additional information about those that made the short list, O'Boyle noted that some of the works included those that looked like comic books or photography and others. Steppke clarified the public comment period.

I. 30th and El Cajon Development Plans

The El Cajon BID is concerned that the site where the North Park Gas Station was located may become a check cashing location. The City is following up with a developer who was previously interested in developing the site.

J. Loan Repayment for San Diego Regional Revolving Loan Fund

A \$403,000 repayment from the PAC went to the City which was then matched by a federal loan.

K. North Park Community Plan Update

The North Park Community Plan Update process is starting again in conjunction with plan updates for Uptown and Golden Hill and the North Park Greater planning area.

L. Redevelopment Restructuring

Currently, City staff is on loan to the Redevelopment Agency. Those staff will become direct employees of the state. This means that Redevelopment staff will no longer be under the City's hiring practices and the Agency will be able to lift the hiring restrictions of the City. It's also predicted that contracting with the Agency will include a shortened review process. The possibility of a commercial redevelopment agency rather than an agency that focuses exclusively on housing was discussed.

IX. Sub-Committee Reports

None.

X. Requests for Next Agenda

- A. Seat Residential Tenant vacancy
- B. Additional \$2 million for streetscape and sidewalk improvements
- C. Bring back proposed Eminent Domain RFP
- D. MAD balance

XI. Adjournment – 8:54 p.m.