

Patrick Brown, Chair  
Stacy McDaniel, Vice Chair  
Kevin Cwayna, Director  
Jonathan Gotz, Director  
Michael McCarthy, Director



Jeffrey Price, Director  
Laura Storke, Director  
Conor Weir, Director  
Patrice Wong, Director  
Anna Ulaszewski, Director

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## FINISHED AGENDA AND MINUTES

### CALL TO ORDER

Chair Brown called the meeting to order at 4:00 P.M.

### ROLL CALL

**Boardmembers** Kevin Cwayna, Michael W. McCarthy, Patrice Wong, Stacy  
**Present:** McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

**Boardmembers** Jonathan Gotz, Jeffrey S. Price and Conor Weir

**Absent:**

\*Boardmember Wong arrived at 4:05 P.M.

Staff present: Amy Bodek, President; Ellie Tolentino, Vice President; Rich Anthony, Deputy City Attorney; Patrick Ure, Housing Development Officer; Dale Hutchinson, Redevelopment Administrator; LaVerne Duncan, Housing Communications Officer; Meggan Sorensen, Development Project Manager; Silvia Medina, Community Development Analyst; Pat Parga, Bureau Secretary; and Heather Murdock, Clerk Typist.

Guests present: Diane Arnold, Redevelopment Agency Boardmember; David Wood, Jamboree Housing; Gary Shelton, Community Development Advisory Commission; Ezra Te, Intern, Council District 5; and Meggan Goulding, Intern, Redevelopment Bureau.

### REPORT OF THE CHAIR

Chair Brown spoke about the recent LBHDC events and thanked Vice Chair McDaniel and Boardmember Ulaszewski for speaking at the events.

Further discussion ensued.

1. [11-010HC](#) Recommendation to receive and file the minutes of the special meeting and regular meeting of January 19, 2011 and the special meeting of January 25, 2011.

There was no Board discussion on this item.

**A motion was made by Boardmember Ulaszewski, seconded by Vice Chair McDaniel, that the minutes be received and filed. The motion carried by the following vote:**

**Yes:** 6 - Kevin Cwayna, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

**Abstain:** 1 - Michael W. McCarthy

**Absent:** 3 - Jonathan Gotz, Jeffrey S. Price and Conor Weir

## ACTION ITEMS

### 2. [11-011HC](#)

Recommendation to:

1. Authorize the President or designee to negotiate and enter into a Disposition and Development Agreement with Jamboree Housing Corporation for the purchase and rehabilitation of three LBHDC-owned properties located at 1893-1911 Pine Avenue, subject to any approvals required by the Long Beach Redevelopment Agency and the City Council;
2. Approve financial assistance of up to \$5,714,560 to Jamboree Housing Corporation and authorize the President or designee to negotiate the terms of the loans; and
3. Authorize the President or designee to execute any and all documents necessary to implement the Disposition and Development Agreement and Loan Agreements.

Chair Brown read the recommendation.

Staff Sorensen reviewed the staff report.

Boardmember Cwayna asked why this project was funded entirely by the LBHDC.

Staff Ure responded that due to the size of the site, it does not qualify for tax credit awards; that the affordability restrictions limited the the cash flow so that the developer cannot incur conventional debt; and that the developer's nonprofit status would make it difficult to incur conventional debt.

David Wood, Jamboree Housing, spoke more about Jamboree's nonprofit status, the competitiveness of tax credits, and the cash flow of the project.

Boardmember Storke asked what guarantees are there that Jamboree will repay the loan in 55 years.

Staff Ure stated the property is secured with a first trust deed; and with no other lender involved, the LBHDC has the first right to acquire the property.

David Wood stated that the loan was secured by the property.

Boardmember Ulaszewski asked how much money has the LBHDC already invested in the project and how much has Jamboree invested.

Staff Sorensen stated that the LBHDC has invested about \$2.5 million in property acquisition.

Staff Ure stated that Jamboree is purchasing the property for \$2.5 million; however, staff is proposing this amount be loaned back to Jamboree.

Further discussion ensued.

Vice Chair McDaniel asked how this project compares with other LBHDC projects on a cost per unit basis.

Staff Ure stated that the cost per unit is high because it includes the acquisition cost.

Chair Brown stated that these properties are in one of the LBHDC's targeted Housing Action Plan (HAP) areas.

Further discussion ensued.

Vice Chair McDaniel asked if it might not be better to rebuild rather than rehab.

Staff Ure stated that it would not be feasible to build anything on this site and that the units were salvageable.

Vice Chair McDaniel asked how much of a contingency fund is built into the budget.

David Wood stated that they have 10%.

Vice President Tolentino stated that the cost per unit is also high because it includes the acquisition cost, whereas rehab projects approved by the Programs Committee do not.

Boardmember Ulaszewski asked if the NSP1 funds have an expiration date.

Staff Ure stated the NSP1 funds have already been expended to purchase the property.

Further discussion ensued.

Boardmember McCarthy asked how big were the units.

Staff Ure stated they were not very big.

Vice President Tolentino stated that 3 units were being combined with other units.

Further discussion ensued.

Boardmember McCarthy compared the cost per unit for this project to that of the multifamily rehab loans the Program Committee approves.

Staff Ure stated that this project is returning the units to their original size, combining units, getting rid of illegal units, and improving the exterior.

Further discussion ensued.

Vice President Tolentino stated that when purchasing these sites the goal was to revitalize the neighborhood by improving these sites and hope that they would be a catalyst for improvement in the rest of the area.

Chair Brown asked if Jamboree was opposed to putting money into the project.

David Wood responded that Jamboree was not opposed to investing money into the project; however, they are adding 55 years of new life to these sites; whereas the other projects add only 15 years.

Staff Ure stated that the Board would never be able to sell the property for \$2.5 million to anyone else; however, Jamboree is purchasing the property for \$2.5 million, which will be carried as a note and the funds will eventually be repaid.

Further discussion ensued.

Boardmember Ulaszewski asked what social services programs would be provided.

David Wood stated that Jamboree's sister company, Housing at Heart, provides after-school programs and various other programs similar to what is provided at Puerto del Sol.

Boardmember Ulaszewski asked who pays for these programs.

David Wood stated that Jamboree pays for the social service programs.

Further discussion ensued.

President Bodek asked if this was a type of project that the Board would be supportive of in this area, not considering the financing.

Boardmember Cwayna stated that approval would be project dependent.

President Bodek asked if the Board was still committed to the HAP.

The Board agreed that they were still committed to the HAP.

President Bodek asked if the Board was reacting to the cost per unit amount.

The Board agreed that they were.

Vice Chair McDaniel stated that the project seems to have a redevelopment objective, yet the LBHDC is bearing the full economic burden of the project.

Further discussion ensued.

Vice President Tolentino stated that the multifamily rehab loans provided by the Programs Committee cover mainly code related deficiencies, while this project is addressing more than that, including improving the façade of the buildings.

Further discussion ensued.

Boardmember Wong stated that this project is different from Programs Committee projects that do not include any amenities, including the social services programs.

Boardmember Cwayna asked why the LBHDC is moving away from providing only gap financing for projects.

Boardmember Wong stated that the Board does not usually handle such small projects. She stated that Jamboree will be providing social services, plus 55 years of affordability, which are never provided in the multifamily rehab projects approved by the Programs Committee.

Boardmember Ulaszewski asked who would ensure that these services remain in place and the site is maintained for the full 55 year period.

Staff Ure stated that the agreement would provide restrictions and covenants to ensure the social services are provided for the 55 years.

Boardmember Ulaszewski stated that there are no guarantees that Jamboree will not walk away.

Staff Ure stated that there is less inherent risk in this project because the LBHDC is in first position.

Further discussion ensued.

Boardmember McCarthy asked about the type of project that would be necessary if the Redevelopment Agency (RDA) is shut down, and how it would affect the 200 plus RDA properties that were turned over to the City.

President Bodek stated that there are only 5 or 6 properties that the RDA purchased that have housing restrictions and were purchased with housing set-aside funds.

Boardmember McCarthy asked if this type of project, where the LBHDC provides all the funding, reflect a change in policy.

President Bodek stated that the Board would decide the type of project on a case-by-case basis.

Boardmember Storke questioned the need for the high level of amenities in this or any affordable housing project. She also stated that since the LBHDC already owns the property, the Board should not consider the acquisition cost in calculating the cost per unit.

President Bodek stated that the Board has chosen to pay special attention to HAP areas; however, if the Board wishes to change this policy it should be discussed another day.

Vice Chair McDaniel questioned whether it is necessary to put so many amenities, such as granite countertops, into this project, in this area.

Staff Ure stated that staff was originally opposed to granite countertops; however, when presented with the price difference and the durability, the granite countertops made more sense.

Vice Chair McDaniel stated that sometimes appearances need to be considered.

Further discussion ensued.

President Bodek stated that staff needs the Board's direction as to how they want to pursue this project.

Boardmember Ulaszewski asked if there were any redevelopment funds available for this project.

President Bodek stated that all cash expenditures of RDA funds have been frozen.

Boardmember Ulaszewski asked if the units were occupied.

Staff Ure stated that they were not occupied; however, they get broken into regularly and there has been damage.

Vice President Tolentino stated that staff has been operating under the Housing Action Plan (HAP) goals as adopted by the Board.

Boardmember Ulaszewski asked if the Board needs to approve policy changes.

Staff Ure responded that the Board approved the policy changes when they approved the HAP and staff was following the HAP goals when they purchased these properties.

Vice Chair McDaniel stated that today's reality has changed from that of 5 to 7 years ago and the Board now needs to consider how to make do with less.

Boardmember Ulaszewski asked if Jamboree had invested any funds in the project to date.

David Wood stated that Jamboree has worked on the project for years, and has invested a lot of time and effort. He stated that they have a large portfolio of units that are professional managed. He emphasized that social service programs and the community rooms are necessary to break the cycle.

Further discussion ensued.

Boardmember Cwayna asked when the decision was made to renovate the sites as opposed to demolish and rebuild.

David Wood stated that due to height restriction, density, and parking issues; rehab made more sense.

Further discussion ensued.

Vice President Tolentino stated that the cost includes a \$320,000 allowance for the Multifamily Improvement District.

Chair Brown stated that if the Board wants to make a change in policy, it should not have to wait for the annual retreat.

Boardmember Wong stated that this project was compliant with HAP policy.

Further discussion ensued.

**A motion was made by Boardmember Wong, seconded by Boardmember Ulaszewski, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 5 - Kevin Cwayna, Michael W. McCarthy, Patrice Wong, Patrick Brown and C. Anna Ulaszewski

**No:** 1 - Laura Storke

**Abstain:** 1 - Stacy McDaniel

**Absent:** 3 - Jonathan Gotz, Jeffrey S. Price and Conor Weir

3. [11-013HC](#)

Recommendation to:

1. Approve a First Amendment to the Disposition, Development and Loan Agreement with Habitat for Humanity of Greater Los Angeles to revise the second mortgage assistance amounts based on the appraisal value of the properties at the time of sale and on the actual income of the selected homebuyers; and
2. Authorize the President or designee to execute any and all documents necessary to implement the First Amendment to the Disposition, Development and Loan Agreement.

Chair Brown read the recommendation.



Silvia Medina reviewed the staff report.

Boardmember McCarthy asked staff to confirm that there was no extra expenditure of LBHDC funds required.

Staff Ure stated that the LBHDC would get back more funds than they put in.

Boardmember Wong asked how likely was it for a low-income buyer to be able to make the down payment.

Staff Ure stated that a buyer was already in place.

Boardmember McCarthy stated he did not like the idea of increasing the price of the project.

Vice Chair McDaniel stated it was not part of the LBHDC's mission to drive down the price point.

Further discussion ensued.

**A motion was made by Boardmember Storke, seconded by Boardmember Wong, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 7 - Kevin Cwayna, Michael W. McCarthy, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

**Absent:** 3 - Jonathan Gotz, Jeffrey S. Price and Conor Weir

4. [11-014HC](#)

Recommendation to receive and file the Financial Report for the period ending December 31, 2010.

Chair Brown read the recommendation.

Boardmember Ulaszewski asked if there was anything the Board should be made aware of.

Staff Hutchinson stated that the report was scheduled for release at the February Board meeting; however, since there was no February meeting it was tabled to March.

Boardmember Storke asked why the actual was so far below budgeted under Revenues (lines 1 – 7).

Staff Hutchinson responded that the 20% Set-aside funds are

transferred to the Housing Fund as the Redevelopment Agency receives them. The largest amounts are received in December and May, but some payments are received throughout the year.

Boardmember McCarthy asked if line 1 would go away if RDA goes away.

Staff Hutchinson stated that it would.

Vice Chair McDaniel asked if lines 3 and 4 reflect the RDA loan repayments.

Staff Hutchinson responded that the majority of line 3 represents the loan repayment from the Brookfield construction loan. Line 4 is one fifth of the \$20 million that the LBHDC loaned to the RDA last year, which is to be paid over 5 years.

Vice Chair McDaniel asked if the next payment would be received in October.

Staff Hutchinson stated that the next payments should be received in December and May.

Boardmember Storke asked if line 7, Transfer from HOME, depends on the timing.

Staff Hutchinson responded that that \$1.9 million is for the Evergreen Apartments; so if that happens, then the \$1.9 million will be transferred in from the HOME funds.

**A motion was made by Boardmember Storke, seconded by Boardmember McCarthy, that the report be received and filed. The motion carried by the following vote:**

**Yes:** 7 - Kevin Cwayna, Michael W. McCarthy, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

**Absent:** 3 - Jonathan Gotz, Jeffrey S. Price and Conor Weir

5. [11-015HC](#)

Recommendation to receive and file the Section 3 Report.

Chair Brown read the recommendation.

Vice President Tolentino explained that this report usually went to the Legislative/Advocacy Committee and will now be coming directly to the Board.

Boardmember Cwayna asked for a statement regarding compliance versus non-compliance.

Staff Duncan stated that all of the LBHDC projects are in compliance.

Further discussion ensued.

Vice Chair McDaniel asked if new developers are made aware of the potential workforce available through Ace Academy at Jordan High.

Staff Ure responded that the City Section 3 policy is provided to developers and the link is made through the Workforce Development Bureau.

Vice President Tolentino stated that staff has met with the Mayor's office, Ace Academy, and Habitat.

Further discussion ensued.

**A motion was made by Boardmember Wong, seconded by Vice Chair McDaniel, that the report be received and filed. The motion carried by the following vote:**

**Yes:** 7 - Kevin Cwayna, Michael W. McCarthy, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

**Absent:** 3 - Jonathan Gotz, Jeffrey S. Price and Conor Weir

## COMMITTEE MINUTES

6. [11-016HC](#) Recommendation to receive and file the Committee Minutes.

**The Committee minutes were received and filed.**

A) Programs Committee - January and February 2011 Minutes.

Boardmember McCarthy stated that there was nothing to report from the Programs Committee.

B) Projects Committee - No March Meeting.

## REPORT OF THE PRESIDENT

7. [11-017HC](#) Recommendation to receive and file the Reports of the President.

**The reports of the President were received and filed.**

A) Summary of Projects Report

President Bodek spoke about the situation regarding the State budget.

Further discussion ensued.

President Bodek spoke about the plane accident at the Long Beach Airport and the postponement of the Groundbreaking of the Meta Housing project.

Boardmembers expressed their condolences to the families of those lost in the plane accident.

Further discussion ensued.

Vice President Tolentino reminded the Board that their Form 700 is due no later than April 1.

B) Upcoming Meetings and Special Events

No upcoming meetings or events were discussed.

**NEW BUSINESS**

Boardmember Cwayna suggested that LBHDC policy concerns and strategy issues be addressed at LBHDC Board meetings when there is a light agenda.

Boardmember Ulaszewski suggested that the various programs handled by the Programs Committee be reviewed by the Board.

Further discussion ensued.

Boardmember Cwayna asked that information on funding sources be reviewed.

Further discussion ensued.

Boardmember McCarthy suggested that the media should be made aware that doing away with the RDA may affect affordable housing.

Further discussion ensued.

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**PUBLIC PARTICIPATION**

Gary Shelton, Community Development Advisory Commission, spoke regarding NSP2

programs and the Downtown Community Plan.

Boardmember Ulaszewski asked if there was a copy available of the Downtown Community Plan.

Gary Shelton stated that it was available on-line through the Planning Bureau website.

Chair Brown asked if staff could provide an overview of the Downtown Community Plan and how it will affect affordable housing.

President Tolentino stated that staff would arrange for a review of the Downtown Community Plan.

### **ADJOURNMENT**

Chair Brown adjourned the meeting at 5:26 P.M.

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#### **Note:**

Written material relating to any item on the Board's agenda which is submitted to the Board after distribution of the agenda packet will be available for inspection in the Housing Services Bureau's offices at 110 Pine Avenue, Suite 1200, Long Beach, CA 90802. A digital recording of this meeting will be available in the Housing Services Bureau.

Respectfully submitted,

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AMY J. BODEK, PRESIDENT

Approved by:

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PATRICK BROWN, CHAIR