

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

FINISHED AGENDA AND MINUTES

SPECIAL MEETING

CALL TO ORDER

Chair Brown called the meeting to order at 3:46 p.m.

ROLL CALL

Boardmembers Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel,

Present: Patrick Brown, C. Anna Ulaszewski and Laura Storke

Boardmembers Michael W. McCarthy, Jeffrey S. Price and Conor Weir

Absent:

*Boardmember Wong arrived at 3:56 P.M.

Staff present: Amy Bodek, President; Ellie Tolentino, Vice President; Rob Zur Schmiede, Deputy Director of Development Services; Rich Anthony, Deputy City Attorney; Patrick Ure, Housing Development Officer; Dale Hutchinson, Redevelopment Administrator; LaVerne Duncan, Housing Communications Officer; Robin Grainger, Housing Rehabilitation Officer; and Pat Parga, Bureau Secretary

Guests present: Diane Arnold, Redevelopment Agency Boardmember; Gary Shelton, Housing Long Beach; and Pepper Russell, Central Project Area Committee (CPAC).

ACTION ITEMS

CLOSED SESSION

1. 11-006HC Pending Litigation.

END CLOSED SESSION

2. 11-007HC
 1. Amend the Agreement for Services between The Long Beach Housing Development Company (LBHDC) and the City of Long

Beach and authorize the President to execute the amendment; and

2. Request funding of approximately \$138,500,000 from the City from future redevelopment housing set-aside to support affordable housing activities through FY2021.

Chair Brown read the recommendation.

Vice Chair McDaniel asked if item 2 should indicate that it is through FY2016.

President Bodek responded that the City Council has committed to the projections through FY2016, but services through FY2021.

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

Yes: 7 - Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

Absent: 3 - Michael W. McCarthy, Jeffrey S. Price and Conor Weir

3. 11-008HC

Approve the sale of various vacant properties to the Redevelopment Agency at current appraised value and authorize the President or designee to execute a Promissory Note and any and all documents necessary to negotiate and execute the sale.

Chair Brown read the recommendation.

Vice Chair McDaniel asked for further explanation.

Vice President Tolentino reviewed the staff report.

Vice Chair McDaniel asked if the primary concern is not meeting the time guidelines or that the sites will not be available for development of housing at all.

Vice President Tolentino stated that we might not have the resources to develop the sites into affordable housing because of the difficulty getting financing from outside sources and the LBHDC does not have the resources to do it all.

Boardmember Gotz asked about the possibility of buying back the properties from the Redevelopment Agency (RDA) if there is an opportunity to develop the sites.

President Bodek stated that this action will establish additional debt for the RDA, which should be protected and get paid, and it establishes a cash flow through the promissory note where the RDA obligates itself to pay the LBHDC the current fair market value for the property. The RDA does not have any development plans for these properties.

Vice Chair McDaniel stated that it is one thing to preserve these properties for development at some future time, and suggested that they should be sold with the right of first refusal.

Boardmember Gotz stated that he sees it as a place to park the properties.

President Bodek stated that the LBHDC could include the right of first refusal caveat in the recommendation to the RDA Board.

Deputy District Attorney Anthony stated that it would be wise to include some specifics regarding the price.

Further discussion ensued.

Boardmember Ulaszewski stated that it seems to be just a way to obligate money.

Vice Chair McDaniel asked if the properties would be in jeopardy given that the Governor is trying to do away with Redevelopment Agencies.

President Bodek stated that there would be a successor agency established and any landholding would be transferred to the successor agency to dispose of the property.

Vice Chair McDaniel asked if it was a state or local agency.

President Bodek stated that as far as she knew it would be a local agency.

Deputy City Attorney Anthony stated that regardless, the successor agency should be bound to the terms for the contract.

Vice Chair McDaniel stated that she still had a strong desire to continue with the development of affordable housing on these properties.

Further discussion ensued.

Vice Chair McDaniel stated that Habitat for Humanity is interested in the

Magnolia property.

Boardmember Cwayna asked why this is on a special meeting agenda and could the Governor's law be retroactive to any quick debt created.

Vice Chair McDaniel stated that the motion should include that any sale by RDA, and any successors in interest, would be subject to LBHDC's right of first refusal if they try to dispose of the property or use it for something other than housing.

Boardmember Storke asked if that would affect the price we could charge, because there is usually an economic value to a right of first refusal.

President Bodek stated that she does not feel that it would be that. She clarified the motion.

Vice President Tolentino stated that there was a correction to the staff report. She stated that on the second bullet 460 W. Pacific Coast Highway was left out and 1900 Long Beach Blvd. should be 1900-1940 Long Beach Blvd.

Boardmember Wong asked what happens if we do not do this and just continue to hold the properties in the LBHDC portfolio.

President Bodek responded there is no provision under the Governor's proposal for land held by the LBHDC to be retained. It specifically says the Agency.

Boardmember Cwayna asked if there is an advantage or a weakness to the LBHDC being a 501(C)3 organization.

President Bodek stated that it was both. She stated that the LBHDC could become the successor agency, but would have no money. If Redevelopment goes away there is no 20% set-aside, no ability to bond, and no tax increment money flowing in, however, all the land would go to the LBHDC.

Boardmember Cwayna asked if as a 501(C)3 organization with a long history of successful projects the LBHDC is in strong position to leverage all kinds of finances other than City funds, including foundation money.

President Bodek stated that because the LBHDC is already a 501(C)3 organization it is in a much better situation to become the successor agency. She stated that there is tremendous potential; however, the focus of the Board may or may not have to change.

Further discussion ensued.

Boardmember Cwayna stated that the LBHDC's marriage with the City is unique; making us not the typical 501(C)3 organization.

President Bodek says that part of staff's role is to protect the activities of the LBHDC and the RDA.

Boardmember Ulaszewski asked if the general public is aware of what the closure of the redevelopment agencies would mean.

President Bodek replied that she does not think they fully understand.

Boardmember Wong stated that she is facing a similar situation in child development, even though it is a smaller pot of money. She asked if the City and State leadership has weighed in on this proposal.

President Bodek stated it is likely there will be some backing off of redevelopment because so many cities rose up to protect their redevelopment agencies; however, the Enterprise Zones, which is a \$90 million benefit to the businesses within the City, is in greater jeopardy.

A substitute motion was made by Vice Chair McDaniel, seconded by Boardmember Gotz, to approve the recommendation with the amendment that the RDA and any successors in interest would grant the LBHDC the first right of refusal to purchase the property back at the same amount that it was transferred to the RDA prior to the RDA selling or developing the property. The motion carried by the following vote:

Yes: 7 - Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski and Laura Storke

Absent: 3 - Michael W. McCarthy, Jeffrey S. Price and Conor Weir

PUBLIC PARTICIPATION

Gary Shelton, Housing Long Beach, stated that if the purpose of these changes were to disappear at the State level, the Board could always reverse this decision.

ADJOURNMENT

Chair Brown adjourned this meeting at 4:30 p.m.

PP

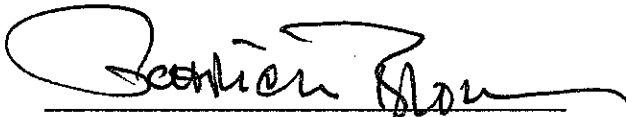
Note:

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,


for AMY J. BODEK, PRESIDENT

Approved by:


PATRICK BROWN, CHAIR