

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

### CALL TO ORDER

Chair Brown called the meeting to order at 4:09 P.M.

### ROLL CALL

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

**Boardmembers** Jeffrey S. Price

**Absent:**

\*Boardmember Gotz arrived at 4:07 P.M., Boardmember Weir arrived at 4:30 P.M.,  
Boardmember Wong left at 5:30 P.M., and Boardmember Cwayna left at 6:13 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; Norma Lopez, Development Project  
Manager; Courtney Richards, Community Development Analyst; and Pat Parga, Bureau  
Secretary.

Guests present: Ricardo Linarez, Staff, Council District 9; Diane Arnold, Redevelopment  
Agency Boardmember; Adrian Peters, Palm Desert Development Company; William  
Leach, Palm Desert Development Company; John Lee Hunt, Capital Partners LLC; Roger  
Davila, Davila Properties LLC; Steven Froberg, Ashwood Construction, Inc.; Dave La  
Barre, La Barre, Somers & Associates; Meredith Chillems, Lifesteps; Dianne Russell,  
Western Community Housing; Dana Trujillo, Abode Communities; Holly Benson, Abode  
Communities; and Julie Romey, Keyser Marston Associates.

### REPORT OF THE CHAIR

Chair Brown spoke about the Clifford Beers scattered sites grand opening.

Boardmember Storke spoke about the grand opening.

Boardmember Ulaszewski provided additional comments about the grand opening.

Further discussion ensued.

Vice President Tolentino circulated a commemorative book of the scattered sites project.

Chair Brown reported on the affordable housing workshop he attended in Orange County.

1. [11-031HC](#) Recommendation to receive and file the minutes of the regular meeting of May 18, 2011.

Boardmember Ulaszewski asked about Item 3 in the minutes.

Vice President Tolentino responded.

**A motion was made by Boardmember Ulaszewski, seconded by Vice Chair McDaniel, to receive and file the minutes for May 18, 2011. The motion carried by the following vote:**

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

**Abstain:** 1 - Laura Storke

**Excused:** 1 - Conor Weir

**Absent:** 1 - Jeffrey S. Price

## ACTION ITEMS

2. [11-034HC](#) Recommendation to:
  1. Approve a loan of up to \$5,900,000 to a to-be-formed partnership, in which Hunt Capital Partners, LLC or its affiliate acts as the general partner, for the acquisition and rehabilitation of an apartment building located at 6301 Atlantic Ave. ;
  2. Authorize the President or designee to negotiate and enter into a Loan Agreement with a to-be-formed partnership, in which Hunt Capital Partners, LLC or its affiliate acts as the general partner; and
  3. Authorize the President or designee to execute any and all documents necessary to implement the recommended actions above.

Chair Brown read the recommendation.

Staff Lopez introduced the development team, and then reviewed the

staff report.

Boardmember Ulaszewski asked about the social services budget.

Staff Lopez responded.

Further discussion ensued.

Boardmember Ulaszewski asked about the swimming pool.

John Lee, Hunt Capital Partners LLC, responded.

Further discussion ensued.

Boardmember McCarthy asked if Bellwood Apartments had been damaged by fire a few years ago.

Vice President Tolentino stated that it had not.

Further discussion ensued.

Boardmember Ulaszewski asked if the relocated tenants will have the first option to return.

Staff Lopez stated they would, if they are eligible.

**A motion was made by Vice Chair McDaniel, seconded by Boardmember McCarthy, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 9 - Kevin Cwayna, Jonathan Gotz, Michael W. McCarthy, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski, Laura Storke and Conor Weir

**Absent:** 1 - Jeffrey S. Price

3. [11-033HC](#)

Recommendation to:

1. Approve a loan of up to \$2,702,000 to a to-be-formed partnership, in which Abode Communities or its affiliate acts as the general partner, for the rehabilitation of the apartment buildings located at 1801 and 1823 E. 68th Street, and 1528 Freeman Avenue, with conditions;
2. Authorize the President or designee to negotiate and enter into a Loan Agreement with a to-be-formed partnership, in which Abode Communities or its affiliate acts as the general partner;
3. Authorize the President or designee to execute any and all

documents necessary to implement the Loan Agreement; and

4. Authorize the reconveyance of the existing LBHDC affordability covenants to allow for a new 55-year covenant.

Chair Brown read the recommendation.

Staff Ure introduced representatives from Abode Communities, and then reviewed the staff report.

Boardmember Ulaszewski asked about losing very low-income units.

Staff Ure responded.

Further discussion ensued.

Chair Brown asked about the State suspending programs.

Staff Ure responded.

Further discussion ensued.

Boardmember Cwayna asked if the developer spoke with any other organizations regarding funding.

Holly Benson, Abode Communities, responded.

Further discussion ensued.

**A motion was made by Vice Chair McDaniel, seconded by Boardmember Gotz, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 8 - Kevin Cwayna, Jonathan Gotz, Michael W. McCarthy, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski, Laura Storke and Conor Weir

**Abstain:** 1 - Patrice Wong

**Absent:** 1 - Jeffrey S. Price

4. [11-035HC](#)

Recommendation to:

1. Approve a loan of up to \$12,000,000 to Palm Desert Development Company to provide gap financing for the development of a 61-unit senior rental project located at 3290 East Artesia Boulevard, with conditions;

2. Authorize the President or designee to negotiate and enter into an Agreement with Palm Desert Development Company; and
3. Authorize the President or designee to execute any and all documents necessary to implement the Agreement.

Chair Brown read recommendation.

Vice President Tolentino reviewed staff report.

Vice Chair McDaniel asked if anyone from F&M Bank, the seller, was present.

William Leach, Palm Desert Development Company, stated that no one from F&M Bank was present.

Boardmember Gotz asked what the relationship was between the developer and F&M Bank.

William Leach stated that the owner of Palm Desert Development Company, Dan Horn and his family, have been customers of F & M Bank for over 60 years.

Vice Chair McDaniel asked what the seller's response was when presented with an appraisal that was nearly \$2 million less than their asking price.

William Leach stated that F& M Bank initially rejected the evaluation and didn't like the format. He stated that the Councilman (Steve Neal) requested that the developer get another appraisal.

Vice Chair McDaniel asked what the result was of the new appraisal.

William Leach stated that in the new appraisal the land was valued at \$4.8 million based on the highest and best use, which was as a bank.

Boardmember Gotz stated that the appraisal should be based on apartment use because that was how the site was going to be used.

Vice Chair McDaniel asked if the seller secured the appraisal.

William Leach stated that it was secured by the seller.

Boardmember McCarthy asked which Councilman requested the new appraisal.

William Leach stated that it was Councilman Steven Neal.

Boardmember Weir stated that an appraisal is typically based on the highest and best use because the seller has the option to sell it for any use.

Further discussion ensued.

Boardmember Weir asked if the developer has released any funds to the seller.

William Leach stated they released \$25,000 to the seller 2½ years ago, plus another \$25,000 for an extension.

Further discussion ensued.

Vice Chair McDaniel asked about the lack of local experience by the developer, how the seller seemed to be playing politics instead of being a real partner, and the loss of the very low-income units.

Boardmember Ulaszewski asked if the LBHDC has made any financial commitments to the project as yet.

Vice President Tolentino stated that it has not.

Boardmember Storke asked about the residual receipts.

Vice President Tolentino explained the residual receipts process.

Further discussion ensued.

Vice Chair McDaniel asked if the developer's fee has been reduced.

Vice President Tolentino stated that the developer's fee has not changed.

Further discussion ensued.

Vice President Tolentino stated the analysis from Keyser Marston warranted a \$12 million gap.

Boardmember Gotz spoke about how much more the project is costing, in addition to losing the very low-income units.

Vice President Tolentino responded that the change in affordability will allow an increase in the amount of the permanent loan that can be

supported by the project.

Further discussion ensued.

Adrian Peters, Palm Desert Development Company, spoke about the competitiveness of the 9% tax credits.

Further discussion ensued.

Boardmember Gotz asked when the last survey was done to determine what type of affordable housing is needed in this area.

Vice President Tolentino stated that they need both low- and very low-income units.

Further discussion ensued.

Boardmember McCarthy spoke about the many items in the project that will be paid for by Redevelopment funds including the extra parking spaces and the paving of the alley.

President Bodek stated that the LBHDC's relationship is with the developer, not the seller.

Vice Chair McDaniel stated that in the newspaper two weeks ago the seller stated that they have not decided to leave or discontinue community banking in the area.

President Bodek responded that the area needs revitalization.

Vice Chair McDaniel spoke about the residual receipts loan.

Staff Ure reviewed the KMA analysis and recommendation.

Further discussion ensued.

Boardmember Ulaszewski asked where the project stood regarding zoning.

William Leach stated that the zoning changes have all been approved.

Further discussion ensued.

Boardmember Gotz asked about the type of community outreach that has been done and if there has been any recent community meetings.

William Leach reviewed the history of the various community meetings that have been held.

Further discussion ensued.

Ricardo Linarez, staff from Council District 9, spoke about the Council office's participation and requested the Board to support the project.

Vice Chair McDaniel asked about the community's view on losing the last retail bank in the area.

Ricardo Linarez responded that they are looking at getting another bank in the area.

Further discussion ensued.

Vice President Tolentino spoke about the difficulty of getting 9% tax credits.

Further discussion ensued.

Boardmember Weir asked about developer fees.

Further discussion ensued.

Boardmember Gotz asked whether an additional \$800,000, if added to the loan, could return the affordability to previous levels.

William Leach said that it could.

Further discussion ensued.

Boardmember Gotz suggested a 50/50 split of the \$800,000.

Further discussion ensued.

President Bodek clarified the core issues.

Further discussion ensued.

William Leach stated that for \$12.4 million the developer would commit to keep the same levels of low- and very low-income units that were in the original proposal.

Boardmember Weir spoke about sharing the savings.



President Bodek responded that this has already been resolved to avoid value engineering.

Further discussion ensued.

**Board member Gotz made a secondary motion, seconded by Boardmember Ulaszewski, to approve the recommendation, with the following changes: the loan amount is not to exceed \$12.4 million and the affordability structure will return to what was originally proposed in January 2010. The motion carried by the following vote:**

**Yes:** 9 - Kevin Cwayna, Jonathan Gotz, Michael W. McCarthy, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski, Laura Storke and Conor Weir

**Absent:** 1 - Jeffrey S. Price

5. [11-032HC](#)

Recommendation to:

1. Approve a budget of up to \$462,180 for the rehabilitation of 3361 Andy Street and relocation of existing tenants; and
2. Authorize the President or designee to execute any and all documents necessary to implement the recommended actions above.

Chair Brown read the recommendations.

Staff Lopez reviewed the staff report.

Boardmember Ulaszewski asked how many units in the area still need improvements and if any of the owners have made improvements.

Staff Duncan stated that while some owners have begun making improvements, many others have not.

Further discussion ensued.

Boardmember Ulaszewski asked about the status of the revitalization of Andy Street.

Staff Duncan spoke about actions of the Owner's Association and the Resident's Association.

Boardmember Ulaszewski asked if there was a minimum or maximum number of tenants allowed in the units.

Staff Duncan stated that there is a State requirement that is followed.

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

**Yes:** 9 - Kevin Cwayna, Jonathan Gotz, Michael W. McCarthy, Patrice Wong, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski, Laura Storke and Conor Weir

**Absent:** 1 - Jeffrey S. Price

6. [11-036HC](#) Recommendation to adopt the proposed budget of The Long Beach Housing Development Company for Fiscal Year 2011-2012 (FY12).

Chair Brown read the recommendation.

Staff Hutchinson reviewed the staff report.

Boardmember Gotz asked about why the administrative costs were so low.

Staff Hutchinson responded that the contracts with Fields & Associates and LBTV8 have been removed.

Further discussion ensued.

Several Boardmembers asked specific questions about budget items and staff responded accordingly.

Prior to calling the motion, Staff Hutchinson reminded the Board that the FY12 budget presented to them had to be increased by \$400,000 to reflect the additional amount approved for Palm Desert Development Company in Agenda Item 4.

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

**Yes:** 8 - Kevin Cwayna, Jonathan Gotz, Michael W. McCarthy, Stacy McDaniel, Patrick Brown, C. Anna Ulaszewski, Laura Storke and Conor Weir

**Excused:** 1 - Patrice Wong

**Absent:** 1 - Jeffrey S. Price

## COMMITTEE MINUTES

7. [11-037HC](#) Recommendation to receive and file committee minutes.

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

A) Programs Committee

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

B) Projects Committee

Boardmember Gotz stated that the items discussed at the Projects Committee were discussed at this Board meeting.

**REPORT OF THE PRESIDENT**

President Bodek spoke about the State Legislature voting to eliminate redevelopment.

Further discussion ensued.

8. [11-038HC](#) Recommendation to receive and file the reports of the President.

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

A) Nominations Committee/Statement of Interest

Vice President Tolentino discussed whether or not the Board wished to meet in July.

Further discussion ensued.

The Board decided to not meet in July.

Vice President Tolentino asked if the Board felt there was a need for a Nominations Committee and distributed a Statement of Interest form to be returned via email by the end of July.

Further discussion ensued.

There was no desire to form a Nominations Committee.

B) Summary of Projects Reports

Vice President Tolentino reviewed various projects.

Vice Chair McDaniel asked about the first Habitat house at 16th Street and Magnolia.

Staff Ure responded that the buyer has not moved in as yet due to various issues.

Further discussion ensued.

Vice President Tolentino spoke about setting up Requests for Proposals for various properties.

C) Upcoming Meetings and Special Events

Vice President Tolentino reviewed the list of upcoming meetings and date and time for the reception for Bill Baker.

**NEW BUSINESS**

No new business was discussed.

**PUBLIC PARTICIPATION**

Dave La Barre, LaBarre, Somers & Associates, spoke.

**ADJOURNMENT**

Chair Brown adjourned the meeting at 6:16 P.M.

Respectfully submitted,

---

AMY J. BODEK, PRESIDENT

Approved by:

---

PATRICK BROWN, CHAIR

Note: A digital recording of this meeting will be available in the Housing Services Bureau.