

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



Michael McCarthy, Director
Kristie Kinney Pabst, Director
Patrice Wong, Director
Anna Ulaszewski, Director

DRAFT FINISHED AGENDA AND MINUTES

CALL TO ORDER - 4:00 P.M.

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

ROLL CALL

Boardmembers Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel,
Present: Kristie Kinney Pabst, Patrick Brown, C. Anna Ulaszewski and
Michael W. McCarthy

*Boardmember Wong arrived at 4:04 P.M.

Staff present: Dennis Thys, President; Ellie Tolentino, Vice President; Amy Burton, Deputy City Attorney; Linda Trang, Deputy City Attorney; Patrick Ure, Housing Development Officer; Dale Hutchinson, Housing Operations Officer; Meggan Sorensen, Development Project Manager; Norma Lopez, Development Project Manager; Silvia Medina, Community Development Analyst; Maria Pangelinan, Community Development Analyst; Pat Parga, Bureau Secretary; and Heather Murdock, Clerk Typist.

Guests present: Diane Arnold, RDA Representative; Julie Romey, Keyser Marston Associates; Jay Stark, J.H. Stark Company; Aaron Wooler, Century Housing; Brian Ulaszewski, Studioneleven; Michael Bohn, Studioneleven; Mark Wolf, Meta Housing Corporation; John Huskey, Meta Housing Corporation; Tish Glaser, Meta Housing Corporation; Adrian Foley, Brookfield Homes; and John O'Brien, Brookfield Homes.

REPORT OF THE CHAIR

Chair Brown spoke about the Palace Hotel event.

ACTION ITEMS

1. 10-011HC Recommendation to approve the minutes of the Study Session and Special Board meeting of January 20, 2010.

A motion was made by Boardmember Gotz, seconded by Boardmember McCarthy, that the minutes be received and filed.

2. 10-014HC

Recommendation to:

1. Approve the attached Local Housing Preference Policy and Priority System Guidelines; and
2. Authorize the President or designee to apply and implement the Policy to all current and future developments assisted by the LBHDC, for which a Management Plan and Marketing Plan have not been approved by the LBHDC.

Chair Brown read the recommendations.

President Thys spoke about the concerns raised by Legal Aid and their request to hold the item over for another month. He stated that staff also recommended holding the item over until the March Board meeting.

Board member Ulaszewski spoke about not addressing the inclusion of full time students as previously requested.

Vice Chair McDaniel agreed.

President Tolentino stated that she has noted the request.

A motion was made by Boardmember Gotz, seconded by Vice Chair McDaniel, that this item be held over to the March LBHDC Board meeting.

Yes: 8 - Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel, Kristie Kinney Pabst, Patrick Brown, C. Anna Ulaszewski and Michael W. McCarthy

3. 10-015HC

Recommendation to:

1. Approve a loan of up to \$13,145,000 to Meta Housing Corporation to provide gap financing for the development of a 147-unit Senior Artist Colony and a 39-unit affordable senior rental project at the southwest corner of Long Beach Boulevard and Anaheim Street, with conditions;
2. Approve the proposed Phasing Plan for the total development site;
3. Approve the release of LBHDC's first trust deed on a parcel in Phase II in exchange for a second trust deed on the entire Phase II site, with conditions;
4. Authorize the President or designee to negotiate and enter into a Loan Agreement with Meta Housing Corporation; and

5. Authorize the President or designee to execute any and all documents necessary to implement the Loan Agreement.

Chair Brown read the recommendations.

Vice President Tolentino reviewed the staff report.

Staff Sorensen spoke about the phasing of the project.

Vice Chair McDaniel asked what the phasing does to the timing of the retail space.

Staff Sorensen responded.

Staff Ure responded.

Vice Chair McDaniel asked what are the open issues from the Keyser Marston Associates report.

Staff Sorensen responded.

Further discussion ensued.

Vice President Tolentino stated that representatives from Meta Housing Corporation (Meta), Century Housing (Century) and Julie Romey from Keyser Marston Associates (KMA) were present.

Boardmember Ulaszewski asked if the LBHDC had anything in writing with Century since they are now the managing partner.

Vice President Tolentino responded.

Further discussion ensued.

Boardmember Gotz stated that according the KMA report, this proposal does not seem to be a good deal.

Staff Ure responded.

Further discussion ensued.

Boardmember Gotz asked how realistic is it that the State would allow the funds to be used for other than what they were originally planned for.

Mark Wolf of Meta responded.

Further discussion ensued.

Boardmember Pabst asked about the total development cost and if the available funding sources include the \$26 million.

Vice President Tolentino stated that it did, except for the condo portion.

Further discussion ensued.

Vice Chair McDaniel asked if there has been any indication from the State about this request.

Staff Sorensen responded.

Further discussion ensued.

Vice Chair McDaniel asked if KMA addressed the effects of deferring the retail portion.

Julie Romey of KMA responded.

Further discussion ensued.

Vice Chair McDaniel asked if the change in the way Meta and Century are working together affects the obligations of Meta.

Staff Ure responded.

Further discussion ensued.

Boardmember Pabst asked about Meta's inability to make interest payments.

Aaron Wooler of Century responded.

Boardmember Gotz asked about the possibility of putting LBHDC in the first position on the second property.

Vice President Tolentino responded.

Further discussion ensued.

Boardmember Gotz asked what would happen if the State denied the \$26 million.

Vice President Tolentino responded.

Further discussion ensued.

Boardmember Gotz asked about the Studioneleven contract.

Staff Ure responded.

Further discussion ensued.

Boardmember Ulaszewski asked if there were any cost consequences if there were delays in finishing the project.

Mark Wolf of Meta responded.

Further discussion ensued.

Boardmember Pabst asked if there was any guarantee that Phase II would be done, since the \$26 million is being used on Phase I.

Further discussion ensued.

Vice Chair McDaniel spoke about feeling more comfortable with Century joining the project and with the delay of the for-sale units.

Further discussion ensued.

Chair Brown asked for any comments from the public, hearing none he called for a vote.

A motion was made by Boardmember McCarthy, seconded by Vice Chair McDaniel, 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 Michael W. McCarthy

No: 1 - Kristie Kinney Pabst

4. 10-016HC

Recommendation to:

1. Approve an amendment to the Disposition and Development Agreement with Brookfield Atlantic Avenue LLC to provide additional gap financing in the amount of \$798,000 bringing the total gap assistance to \$7,808,000;
2. Approve a Construction Loan of up to \$7,730,778 to Brookfield

Atlantic Avenue LLC for the construction of Coronado townhomes;
and

3. Authorize the President or designee to negotiate and execute any and all documents necessary to implement an amendment to the Disposition and Development Agreement and Construction Loan Agreement.

Chair Brown read the recommendations.

Vice President Tolentino reviewed the staff report.

Staff Ure continued the review of the project.

Boardmember Gotz spoke about Century's investment in another project.

Further discussion ensued.

Staff Ure continued the review of the staff report.

Boardmember Gotz asked what LBHDC's investment was in the project.

Staff Ure responded.

Further discussion ensued.

Boardmember Gotz asked if the LBHDC lost money when the Renaissance Walk units changed covenants.

Vice President Tolentino responded.

Further discussion ensued.

Boardmember Ulaszewski asked what the 7.5% rate was based on.

Julie Romey of KMA responded.

Further discussion ensued.

Boardmember Gotz asked what Brookfield Homes (Brookfield) has invested in the project.

Adrian Foley of Brookfield responded.

Vice Chair McDaniel asked Adrian Foley to introduce himself and if he

had any financial officers present. She asked why Brookfield could not self-finance the loan.

Adrian Foley responded.

Further discussion ensued.

Vice Chair McDaniel asked why there was no reduction in construction costs given the state of the economy.

Adrian Foley responded.

Further discussion ensued.

Vice Chair McDaniel asked President Thys what the consequences would be if the Board did not go forward with this project.

President Thys responded.

Further discussion ensued.

Boardmember Ulaszewski asked if this project was time sensitive.

President Thys responded.

Boardmember Cwayna asked what Vice Chair McDaniel's concern was regarding the financial risk.

Vice Chair McDaniel responded.

Further discussion ensued.

Chair Brown offered Brookfield a 3-minute rebuttal.

Adrian Foley spoke.

Boardmember Gotz asked what Brookfield stands to make if the project gets done on time.

Staff Ure responded.

Further discussion ensued.

Boardmember Wong spoke.

Chair Brown asked for comments from the general public, hearing none

he called for a vote.

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

Yes: 5 - Jonathan Gotz, Patrice Wong, Patrick Brown, C. Anna Ulaszewski and Michael W. McCarthy

No: 3 - Kevin Cwayna, Stacy McDaniel and Kristie Kinney Pabst

5. 10-017HC

Recommendation to adopt an Equal Benefits Policy consistent with the City's ordinance that would require those who enter into contracts with the LBHDC to provide employee benefits to their employees with domestic partners equivalent to those provided to their employees with spouses.

Chair Brown read the recommendation.

President Thys reviewed the staff report.

Boardmember Gotz asked if this was only for new contracts.

President Thys acknowledged that it would be for any future agreements.

Further discussion ensued.

Boardmember Gotz stated that it looks like reverse discrimination against small businesses.

Further discussion ensued.

Boardmember Gotz asked if they needed to be registered partners.

President Thys stated that they have to be registered.

Further discussion ensued.

Boardmember Ulaszewski asked what the responsibility of the contractor was for checking the subcontractors.

President Thys responded that this was not considered under this agreement.

Boardmember Pabst asked if the reason this issue was raised was because there was a problem.

President Thys responded that it was in response to a request from City Council.

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

Yes: 6 - Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel, C. Anna Ulaszewski and Michael W. McCarthy

No: 2 - Kristie Kinney Pabst and Patrick Brown

6. 10-018HC Recommendation to receive and file the Affordable Housing Production Report.

Chair Brown read the recommendation.

Vice President Tolentino reviewed the staff report.

Vice Chair McDaniel requested that this item be held over to the next Board meeting to give the Board time to review the report.

A motion was made by Vice Chair McDaniel, seconded by Boardmember Gotz, to hold this item over until the March 2010 meeting. The motion carried by the following vote:

Yes: 8 - Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel, Kristie Kinney Pabst, Patrick Brown, C. Anna Ulaszewski and Michael W. McCarthy

7. 10-019HC Recommendation to receive and file the Financial Report for the Period Ending December 31, 2009.

Chair Brown read the recommendation.

Boardmember Ulaszewski asked if the percentage of variance could be included.

Further discussion ensued.

A motion was made by Boardmember Ulaszewski, seconded by Vice Chair McDaniel, to receive and file the Financial Report for the period ending December 31, 2009. The motion carried by the following vote:

Yes: 8 - Kevin Cwayna, Jonathan Gotz, Patrice Wong, Stacy McDaniel, Kristie Kinney Pabst, Patrick Brown, C. Anna Ulaszewski and Michael W. McCarthy

COMMITTEE REPORTS

8. 10-012HC Recommendation to receive and file Committee minutes.

The committee minutes were received and filed.

- A) Executive Review Committee - Draft January Minutes; No February Meeting

Chair Brown spoke.

- B) Programs Committee - Final January Minutes; Draft February Minutes

Boardmember McCarthy spoke.

- C) Projects Committee - No February Meeting

Chair Brown spoke.

- D) Legislative/Advocacy Committee – No January Meeting

Boardmember Cwayna spoke.

Boardmember McCarthy asked about a recent Andy Street incident.

President Thys responded.

Further discussion ensued.

REPORT OF THE PRESIDENT

9. 10-013HC Recommendation to receive and file various Reports of the President.

The various reports of the President were received and filed.

A) Summary of Projects Reports

President Thys spoke about the two approved projects.

Further discussion ensued.

President Thys spoke about the California Redevelopment Association and the take-away of the housing set-aside funds.

Further discussion ensued.

B) Upcoming Meetings and Special Events

Vice President Tolentino spoke about the groundbreaking for the Habitat for Humanity on Saturday, February 27 at 10 a.m.

Vice President Tolentino stated that ERC may not meet in March, but that there would be a Projects Committee meeting in March.

Vice President Tolentino spoke about the parking card information request and the Form 700.

Further discussion ensued.

Vice President Tolentino spoke about the open house of 2250 Elm on Saturday, February 27 at 12 noon.

Further discussion ensued.

Boardmember Wong and Boardmember Ulaszewski left the meeting at 5:34 P.M.

Chair Brown left the meeting at 5:44 P.M.

NEW BUSINESS

Vice Chair McDaniel asked that for any agreements that include a walk away fee, that the Board be notified of this fee prior to giving the President authorization to enter into the agreement.

President Thys responded.

Further discussion ensued.

Boardmember Pabst stated that it seems that the LBHDC is always trying to please the developers and always concede to their demands.

Vice Chair McDaniel responded.

President Thys responded.

Further discussion ensued.

Boardmember McCarthy stated the Programs Committee would like the Board to discuss mobile home loans or grants.

Vice Chair McDaniel asked if there was any more new business.

Boardmember Gotz stated that this was an excellent meeting with good discussions.

Further discussion ensued.

PUBLIC PARTICIPATION

Vice Chair McDaniel asked if there were any comments from the public. No members of the public were present.

ADJOURNMENT - 5:51 P.M.

Vice Chair McDaniel adjourned the meeting at 5:51 P.M.

PP

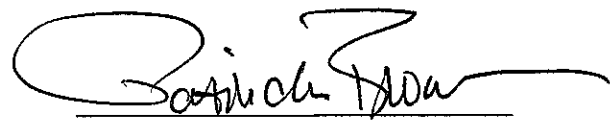
Note:

A digital recording of this meeting will be available in the Housing Services Bureau, please call the Housing Services Bureau at (562) 570-6359.

Respectfully submitted,


DENNIS J. THYS, PRESIDENT

Approved by:


PATRICK BROWN, CHAIR