

BURBANK REDEVELOPMENT AGENCY
JULY 10, 2001

A regular meeting of the Burbank Redevelopment Agency was held in the City of Burbank Fire Training Center, 1845 North Ontario Street, on the above date. The meeting was called to order at 5:00 p.m. by Mr. Kramer, Chairman.

CLOSED SESSION

Present- - - - - Members Laurell, Murphy and Kramer.
Absent - - - - - Members Golonski and Ramos.
Also Present - Mr. Ovrom, City Manager; Ms. Alvord, Assistant City Manager; Mr. Barlow, City Attorney; and, Mrs. Elliot, Municipal Records Clerk.

Oral Communications There was no response to Chairman Kramer's invitation for oral communications on Closed Session matters at this time.

5:01 P.M. Recess The Agency recessed at this time to the Fire Training Center to hold a Closed Session on the following:

- a. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Properties: 2242-2306 North Ontario Street and 2245-2251 North Fairview Street.
Party With Whom Agency is Negotiating: M. David Paul & Associates.
Terms Under Negotiating: Sale of property for proposed Housing and Childcare Demonstration Project to be developed on the site.
- b. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Property: Opportunity Site No. 2 (Police Block) bounded by Olive Avenue and Angeleno Avenue, Third Street and San Fernando Boulevard (except for the corner parcel at Olive Avenue and San Fernando Boulevard, commonly known as the Radio Shack parcel).
Parties With Whom Agency is Negotiating: Philip Simmons of AvalonBay Communities, Inc.; Sahul Kuba of CIM Group; Dan Chandler of Chandler Partners; Kerry Choppin of the Olson Company; Paul Marshall & Gary Toeller of Opus West Corporation; Michael Keele of Southland Companies; Daniel Niemann of Trammell Crow Company; and, Lawrence Bond, Robert Bond and David Marguiles of Urban Residential Partners.
Terms Under Negotiation: Possible acquisition of Agency-owned property.

Regular Meeting Reconvened in Council Chambers The regular meeting of the Redevelopment Agency of the City of Burbank was reconvened at 6:33 p.m. by Mr. Kramer, Chairman.

Invocation The invocation was given by Pastor William Brunold, First Lutheran Church.

Flag Salute The pledge of allegiance to the flag was led by Kelly Chulick, Burbank Fire Inspector/Public Education Officer.

ROLL CALL

Present - - - - - Members Golonski, Laurell, Murphy, Ramos and Kramer.

Absent - - - - - Members None.

Also Present - - Ms. Alvord, Assistant City Manager; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Sarquiz, Secretary.

6:47 P.M.
Jt. Public Hrg. w/
City Council
RA 52-1
Housing &
Childcare Demo.
Proj. (2245-2251
N. Fairview St. &
2242-2308 N.
Ontario St.) (PD
No. 2000-3 - M.
David Paul &
Asso.) Chairman Kramer stated that "this is the time and place for the joint public hearing of the Redevelopment Agency and the Council of the City of Burbank regarding the Housing and Childcare Demonstration Project proposed by M. David Paul & Associates. The various components of this project that require Council and Agency consideration are: a Mitigated Negative Declaration; a Disposition and Development Agreement; a Vesting Tentative Tract Map; Planned Development No. 2000-3; and a Development Agreement."

Notice Given The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff Report Mr. Lynch, Senior Redevelopment Project Manager, reported on the request for City Council and Redevelopment Agency consideration of the development of a Housing and Childcare Center Demonstration Project by M. David Paul and Associates including Planned Development (PD) No. 2000-3, a Disposition and Development Agreement (DDA) and related documents.

He discussed that the lack of quality and affordable childcare services has been a widely recognized problem facing states and localities across the nation. In response to these shortages, he said the City Council formed a Policy Group to study the development of a Childcare Center Demonstration Project to facilitate the development of quality childcare centers within the City.

Mr. Lynch said that the Policy Group recommended that the first Demonstration Project be located in the Golden State neighborhood near the Airport. He said the City and Agency targeted this multi-family neighborhood for revitalization efforts due to numerous factors that have led to the deterioration of the neighborhood. He said a total of eight properties were acquired by the Agency and all residents and businesses have been relocated with the assistance of a variety of relocation benefits from the Agency.

He said a Request for Proposal was issued by the Agency to select a developer to build the Demonstration Project in conjunction with a for-sale affordable housing project. After reviewing four developer proposals, he said the Agency ultimately selected M. David Paul to develop the project. He said that M. David Paul proposes to develop 20 small-lot-single-family homes along with an 8,600 square foot childcare center that can accommodate approximately 92 children.

Mr. Lynch said that the zoning of the property is R-4 Residential Multi-Family Medium Density. However, he said that the housing component has characteristics of both single-family and multi-family development, in addition to the childcare center, which require the zoning to be modified through a Planned Development. He said the project also incorporates a Vesting Tentative Tract Map, which creates a total of 22 lots with Lot 1 designed for the childcare center, Lot 2 designed to include all the common areas controlled by a homeowners association, and Lots 3-20 designed for the individually owned residential dwelling units. He further said that consistent with the provisions of the California Environmental Quality Act, a Mitigated Negative Declaration has been prepared which indicates that with the mitigation measures proposed, the project will not have a significant adverse affect on the environment.

Next, he said a hearing on the Planned Development, Vesting Tentative Tract Map and Mitigated Negative Declaration was held

by the Planning Board at which time the Board voted 3-2 to approve the proposed entitlements. He noted that Board Members Berlin and Hunt voted against the project due to concerns of incompatibility of the Childcare Center with the nearby Airport.

Mr. Lynch then discussed that the project also includes a Disposition and Development Agreement (DDA) which outlines the major terms for conveying the site to the developer. He said the Agency proposes to sell the entire site consisting of approximately 1.56 acres to the developer for one dollar. He noted the developer will sell 10 of the homes to buyers whose incomes are restricted to moderate income levels at a sales price of \$190,000 each with the remaining 10 homes being sold on a market rate basis estimated at \$225,000. Once the project is completed, he said the developer will sell the childcare center including the underlying land to a non-profit organization identified by the Agency for one dollar. With the Agency's assistance, he noted the non-profit organization will complete the interior improvements to the facility.

He said that with the approval of this project, which is estimated to cost the Agency \$3,467,200, several important goals will be achieved: the project will remove substandard apartment buildings and non-conforming business uses and replace them with single-family homes; the project offers new homeownership opportunities, and provides stability into the multi-family neighborhood; and, the project offers the City/Agency an opportunity to help alleviate the major shortage of quality childcare in the City without using General Fund money.

Mr. Lynch concluded by stating that the proposed project has received the support and endorsement of the Golden State Citizen Advisory Committee and the City's Childcare Committee.

Applicant

M. David Paul stated that he believes the project will be good for the neighborhood noting it is a well conceived planned housing project which is enhanced by the childcare center. He said the houses will be three stories with two or three bedrooms as well as a two car garage. He further said the project will have security gates and common open space. He then noted that he is guaranteeing that the exterior paint of the building will last for seven years. He concluded by stating that he would be available to answer any questions the Council/Agency may have regarding the project.

7/10/01

Citizen Comment	Appearing to comment were Deane Phinney, Chair of the Child Care Committee, stating the Committee is supportive of the project noting it addresses the need for childcare services in the City particularly for infants and toddlers, and noting there is still a great need for more quality childcare in the community; Esther Espinoza, on concern with the project not meeting health and safety measures required by the State due to its proximity to the Airport; Angel Mendoza, stating concern that his family will be relocated from their home and asking the Council to assist him in this matter (his concerns were actually related to the next public hearing); Mike Nolan, on concern with the City participating in a childcare project, and on concern that the information provided on the childcare project is insufficient for the City to make an informed decision; Frank Kaden, opposing the project because it is costing a lot of City money and is only benefiting a few people in the City; Ted McConkey, on the history of the project, on concern with the proximity of the project to the Airport, on concern that the childcare center will not be made available to the residents of the project, and on concern with the lack of information on the childcare center; David Piroli, on concern with the sale of the property to the developer by the Agency for \$1, asking whether the City knows who will operate the childcare center, asking what the median income is to qualify for the low-moderate homes, asking how many demonstration projects the City plans to be involved in, and asking whether the project will be developed to meet federal sound insulation standards; Mark Barton, stating his support for the project, and on the need for childcare; Bob Etter, on concern with the cost of the project to the City, and stating his belief that the housing must not be quality development due to the proposed selling price; and Howard Rothenbach, asking what the income is of the people who can qualify for the moderate income housing, on concern that the monthly mortgage for the proposed houses is not affordable, and asking whether the moderate income housing runs in perpetuity with the project.
Applicant	M. David Paul said he would prefer to respond to particular questions the Council might have but did note that the childcare center is planned for 92 children.
Hearing Closed	There being no further response to the Mayor's invitation for oral comment, the hearing was declared closed.
Motion	It was moved by Mr. Golonski and seconded by Mrs. Murphy that "the following resolutions be passed and adopted and the ordinance be introduced and read for the first time by title only and be passed

to the second reading:"

City Council Reso. Adopted	City Council Resolution No. 26,049 Adopting a Mitigated Negative Declaration (2242-2306 North Ontario Street and 2245-2251 North Fairview Street) was adopted.
City Council Reso. Adopted	City Council resolution No. 26,050 Approving a Disposition and Development Agreement by and Between the Redevelopment Agency of the City of Burbank and M. David Paul & Associates was adopted.
RA 52-1 Approved DDA w/ City & M. David Paul & Associates	<u>RESOLUTION NO. R-2007:</u> A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE AGENCY AND M. DAVID PAUL & ASSOCIATES.
City Council Ordinance Introduced	City Council Ordinance Approving Planned Development No. 2000-3 and a Development Agreement Related Thereto (2242-2306 North Ontario Street and 2245-2251 North Fairview Street) was introduced.
City Council Reso. Adopted	City Council Resolution No. 26,051 Approving Vesting Tentative Tract Map No. 53413 (Housing and Childcare Demonstration Project: M. David Paul & Associates, Applicant) was adopted.
Adopted	The resolutions were passed and adopted and the ordinance was introduced by the following vote: Ayes: Members Golonski, Laurell, Murphy, Ramos and Kramer. Noes: Members None. Absent: Members None.
7:57 P.M. Recess	The Agency recessed at this time to permit the City Council to conduct a public hearing. Following the Council public hearing and combined oral communications, the meeting reconvened at 9:05 p.m. in order for the Council and Agency to hold a joint meeting.
9:05 P.M. Jt. Mtg. w/City Council RA 82 Affordable Housing Agrmt. w/City & Burbank HousingCorp.	Mr. Solomon, Housing Development Manager, reported on the request for City Council and Redevelopment Agency consideration of an Affordable Housing Agreement (AHA) with the Burbank Housing Corporation (BHC) to assist them in acquiring and rehabilitating a six-unit apartment building at 199 West Elmwood Avenue (Project) and amending and restating the Promissory Note for the 59 BHC-owned units on Elmwood to incorporate the Project.

7/10/01

(199 W.
Elmwood)

As proposed in the AHA, he explained that the City/Agency will lend the BHC \$260,000 in Federal HOME and Agency Set-Aside funds in the form of down payment assistance, as well as direct and indirect rehabilitation costs. He said the amount of the loan is equivalent to the difference between the market value of the property at \$450,000 and the amount of the conventional loan provided by the BHC's lender plus up to an additional amount estimated at \$136,000 applied towards rehabilitation costs, indirect and financing costs. He noted that the City/Agency will also use HOME funds to relocate tenants, if necessary. However, based upon the rent roll provided to BHC, he said it is not anticipated that any household will be displaced due to overcrowding.

Mr. Solomon discussed that in addition to describing the terms of sale and subsequent rehabilitation of the site, the AHA also governs key conditions for the long-term operation of the site that run in perpetuity. He noted that affordability and income covenants will be recorded on the property to ensure that the six units will be income and rent restricted in perpetuity.

He also discussed that BHC is required to maintain the site in accordance with all applicable codes, rehabilitation standards, and zoning ordinances, and will be subject to periodic inspections. He noted that if BHC fails to maintain the site, the City/Agency may abate the violation and attach a lien upon the property or assess the BHC.

Lastly, Mr. Solomon explained that the Project may not be sold, transferred, conveyed, encumbered to secure financing, assignment or lease without the prior written approval of the City/Agency, except for permitted transfers. He then noted that approval of sales, transfers or assignments would be restricted to only those proposed assignees or transferees demonstrating comparable operational experience and capability, who would be required to assume the obligations of the BHC under the Agreement.

Motion

It was moved by Mr. Golonski and seconded by Mrs. Murphy that "the following resolutions be passed and adopted:"

City Council
Reso. Adopted

City Council Resolution No. 26,052 Approving an Affordable Housing Agreement Between the City, the Redevelopment Agency of the City of Burbank, and the Burbank Housing Corporation (199 W.

Elmwood Avenue) was adopted.

RA 82
Approved
Affordable
Housing Agrmt.
w/City & Burbank
Housing Corp.
(199 West
Elmwood)

RESOLUTION NO. R-2008:

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING AN AFFORDABLE HOUSING AGREEMENT BETWEEN THE AGENCY, THE CITY OF BURBANK AND THE BURBANK HOUSING CORPORATION (199 W. ELMWOOD AVENUE).

Adopted

The resolutions were adopted by the following vote:

Ayes: Members Golonski, Laurell, Murphy, Ramos and Kramer.

Noes: Members None.

Absent: Members None.

9:10 P.M.
Recess of the
City Council

The City Council meeting was recessed at this time to permit the Agency to continue its meeting.

Motion

It was moved by Mrs. Murphy and seconded by Mr. Laurell that "the following items on the consent calendar be approved as recommended:"

Minutes
Approved

The minutes for the regular meetings of May 8, May 15 and May 22, 2001 were approved as submitted.

RA 43
Renewal of Home
Secure Program
(Jewish Family
Srvs.)

RESOLUTION NO. R-2009:

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AUTHORIZING THE EXECUTION OF A RENEWAL OF THE HOME SECURE PROGRAM.

Adopted

The consent calendar was adopted by the following vote:

Ayes: Members Golonski, Laurell, Murphy, Ramos and Kramer.

Noes: Members None.

Absent: Members None.

7/10/01

9:14 P.M.
Recess The Agency recessed at this time to permit the City Council to continue its meeting. The Agency reconvened at 9:30 p.m. for public comment with all members present.

9:54 P.M.
Adjournment There being no further business to come before the Agency, the meeting was adjourned at 9:54 p.m.

Secretary

APPROVED JULY 31, 2001

Chairperson