

BURBANK REDEVELOPMENT AGENCY
JANUARY 31, 2006

A regular meeting of the Burbank Redevelopment Agency was held in the City of Burbank Council Chamber, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:43 p.m. by Mr. Vander Borght, Chairman.

Invocation The invocation was given by Pastor Paul Clairville, Westminster Presbyterian Church.

Flag The pledge of allegiance to the flag was led by Fire Chief Pansini.
Salute

ROLL CALL

Present- - - - - Members Campbell, Golonski, Ramos and Vander Borght.

Absent - - - - - Members None.

Also Present - - Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; and, Mrs. Campos, Secretary.

7:36 P.M. Chairperson Vander Borght stated that "this is the time and place for
Jt. Public Hrg. w/ the joint public hearing of the Redevelopment Agency (Agency) and
City Council the Council of the City of Burbank regarding the rehabilitation and
RA 82-1 leasing of 313 and 427 West Valencia Avenue. The components of
RA 42-1 these two projects that require Agency and Council consideration are
Lease to Burbank Agency resolutions approving Disposition and Development
Housing Corp. for Agreements for 313 West Valencia Avenue and 427 West Valencia
Affordable Rental Avenue, and an Agency resolution approving an Agency budget
Housing (313 & amendment. In addition, the Council is being asked to consider
427 W. Valencia) resolutions authorizing small housing projects and approving the
Relocation Plan. The hearing provides the public with an opportunity
to comment on the Agency and City actions."

Meeting Mrs. Ramos disclosed her meeting with Ms. Judith Arandes,
Disclosures Executive Director of the Burbank Housing Corporation.

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

Staff Mr. Swoger, Housing Development Manager, Community
Report Development Department, presented a proposal to the Council and
Redevelopment Agency (Agency) Board regarding the lease of
residential properties owned by the Agency and located at 313 and
427 West Valencia Avenue to the Burbank Housing Corporation
(BHC) for the purpose of providing affordable rental housing

opportunities. He noted that the BHC is the City's primary partner in the provision of affordable housing and has a proven track record of operating housing that is affordable to lower-income households. He reported that the BHC currently operates or is in the process of rehabilitating over 200 housing units in the community, the majority of which are affordable to very low- and low-income households.

Mr. Swoger reported that in May 1999, the Agency purchased a single-family home located at 427 West Valencia Avenue and in June 1999, a four-unit apartment building located at 313 West Valencia was purchased. He stated that staff is proposing to enter into Disposition and Development Agreements (DDAs) and long-term lease agreements with BHC to rehabilitate the properties for use as affordable rental housing for very low- and low-income households for a period of 55 years, and to provide a loan to BHC in the amount of \$220,000 to rehabilitate the properties.

Mr. Swoger further reported that to perform the rehabilitation, it will be necessary to relocate the current residents. He stated that Agency staff has contracted with Overland, Pacific & Cutler, Inc. (OPC), an experienced acquisition and relocation firm, to prepare a Relocation Plan. He noted that relocation assistance is estimated to be \$120,000. He requested that the Council approve the Relocation Plan which has been made available for a 30-day public review and comment period, and added that notice was provided to the current residents of the properties with no public comments received.

Mr. Swoger informed the Council and Board that the properties will be reserved for very low-income and low-income households and rented to tenants at the statutorily-established affordable rents. To ensure that no tenant will be required to pay more than the defined affordable rent for their unit, staff proposes to establish a rent subsidy reserve that BHC may use to stabilize rental income to ensure that operating expenses are attained. He noted that the rent subsidy reserve will be established as part of the DDAs for each property in the form of a grant available to BHC. He stated that the maximum amount of rent subsidy that may be necessary during the first five years of operation is approximately \$75,000 or \$15,000 annually; therefore, staff is proposing that the Agency establish a rent subsidy reserve account of \$75,000 for the first five years of operation. He added that if sufficient revenues are generated during the initial five years of operation, BHC will use excess revenues to build up a long-term reserve account that will replace the Agency's rent subsidy reserve after the fifth year of operation. He noted that currently, there are sufficient funds in the Low & Moderate Income Housing Unappropriated Fund Balance for this project.

Ms. Arandes, BHC Executive Director, introduced the BHC Board members present and requested Council and Agency Board support for the proposed project.

Citizen Comment Appearing to comment were: David Piroli, inquiring as to the proposed mix of very low- and low-income criteria and the potential monthly rent; Mark Barton, requesting answers to Mr. Piroli's questions; and, Esther Espinoza, in support of providing housing for very low-income tenants, inquiring as to the number of units proposed, purpose of lease agreements, relocation of current tenants and the very low-income criteria.

Hearing Closed There being no further response to the Chairperson's invitation for oral comment, the hearing was declared closed.

Rebuttal by Staff Mr. Swoger responded to public comment with regard to the low-income criteria; number of units; lease agreements; and, the Relocation Plan.

Motion Following Council/Board deliberation, it was moved by Mrs. Ramos and seconded by Mr. Campbell that "the following resolutions be passed and adopted:"

City Council Reso. Adopted City Council Resolution No. 27,157 Authorizing the Redevelopment Agency of the City of Burbank to Sell or Lease Small Housing Projects was adopted.

RA 82-1
Approved DDA
w/BHC for 313
W. Valencia Ave. RESOLUTION NO. R-2142:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING A DISPOSITION AND ADEVELOPMENT AGREEMENT BY AND BETWEEN THE AGENCY AND BURBANK HOUSING CORPORATION FOR 313 WEST VALENCIA AVENUE.

RA 82-1
Approved DDA
w/ BHC for 427
W. Valencia Ave. RESOLUTION NO. R-2143:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE AGENCY AND BURBANK HOUSING CORPORATION FOR 427 WEST VALENCIA AVENUE.

1/31/06

City Council
Reso. Adopted

City Council Resolution No. 27,158 Approving a Relocation Plan for the Relocation of Residents Displaced as a Result of the Rehabilitation and Leasing of 313 and 427 West Valencia Avenue was adopted.

RA 42-1
Amend FY 05-06
Budget for the
Valencia Prop.
Lease Project

RESOLUTION NO. R-2144:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AMENDING THE FISCAL YEAR 2005-2006 BUDGET BY APPROPRIATING \$415,000 FOR THE PURPOSE OF FUNDING THE VALENCIA PROPERTIES LEASE PROJECT.

Adopted

The resolutions were adopted by the following vote:

Ayes: Members Campbell, Golonski, Ramos and Vander Borght.
Noes: Members None.
Absent: Members None.

8:06 P.M.
Oral
Communications

The City Council, Redevelopment Agency and Parking Authority conducted the oral communications. (See Council minutes for details of the public comment)

9:03 P.M.
Mr. Campbell
Left the Meeting

Mr. Campbell left the meeting at this time.

9:33 P.M.
Jt. Mtg. w/City
Council & Parking
Authority
RA 41
The Collection
Proj. – Approval
Of Final Map &
Related Agrmts.

Ms. Mack, Redevelopment Project Manager, Community Development Department, requested the Council, Redevelopment Agency (Agency) Board and Parking Authority consider Final Map No. 62742 and various documents related to The Collection Project. She also requested that the item related to the approval of the lease of Lot O located at 30 East Palm Avenue be removed from consideration since it requires a four-fifths vote. She noted that the item would be administratively approved and brought back for consideration in six months.

Ms. Mack reported that on November 23, 2004, the Council and Agency Board approved an Amended and Restated Owner Participation Agreement (OPA) with Champion Development, Inc.; a Second Implementation Agreement to the OPA with Burbank Entertainment Village, LLC (AMC); and, other documents relating to the proposed development of the Phase II site. She noted that under the Champion OPA, the Developer is required to purchase the Phase II site from AMC contingent upon the simultaneous closing of

approved bonds to help finance the Phase II parking structure. She added that the Developer is then required to construct a mixed-use project which includes 118 residential units, approximately 40,000 square feet of commercial uses and a six-level parking structure on the Phase II site. She reported that the parking structure will consist of 723 parking spaces required for the residential condominium and commercial components of the project, including 278 public parking spaces. She stated that construction of the entire project is scheduled to commence in March 2006 and be completed within 27 months.

Ms. Mack added that in preparation for the close of escrow and start of construction, the following legal and construction-related documents are required for the implementation of the project and subsequent sale of the public parking component to the City: Reciprocal Easement and Shared Maintenance Agreement, which describes the responsibilities of both parties regarding the joint use, operation, management and maintenance of the Phase II parking structure upon its completion; Subdivision Improvement Agreement/Final Map No. 62742, which authorizes the subdivision of The Collection at Downtown Burbank Project, previously approved as Planned Development No. 2003-2, into condominium units; Right of Entry Agreement, which proposes to utilize six parking spaces in the lower level of the Orange Grove parking structure until the Phase II parking structure is completed to facilitate the timely construction; Encroachment Agreement, which proposes to utilize three travel lanes on First Street as a construction staging area; Lease Agreement for 57 East Palm Avenue, for construction storage and staging; Tie Back Agreement, for construction shoring of the Phase II property during construction; Preservation of Rights Agreement between the Parking Authority and the AMC, which allows AMC to continue to retain existing parking and signage rights in the Orange Grove parking structure and to pay towards the annual maintenance costs within this structure; Parking Maintenance Agreement between Burbank Collection Ltd. and the Parking Authority, regarding the developer's responsibilities for parking maintenance costs for its proportional share of parking spaces under the 1991 Parking Easement Agreement for the Orange Grove parking structure during the construction of the Phase II project; and, Orange Grove Parking Structure Easement between the Parking Authority and Burbank Collection, Ltd., which provides easements for pedestrian and vehicular access.

Ms. Mack stated that implementation of The Collection Project also involves items related to title, the assignment of the Phase II parking structure to the Parking Authority and early use of the Phase II parking structure by the public upon completion. She noted that these agreements are required to implement the provisions approved under the Champion OPA and do not represent a cost to the City or

Agency. However, it is anticipated that the City and Agency will receive approximately \$2,325 in monthly rent revenues from the property located at 57 East Palm Avenue for the duration of the construction.

Mrs. Ramos requested clarification with regard to alternatives considered for construction staging and on the Encroachment Agreement that will allow for the closure of three lanes on First Street. Mr. Johnson, Assistant Public Works Director/Traffic Engineer, responded that the volume of traffic on First Street can be handled by the two travel lanes and noted other efforts that will be taken to avoid traffic congestion, including penalties for the developer for violations. Ms. Mack clarified staff's efforts on alternatives for construction staging, noting that obtaining long-term lease commitments from areas in close proximity to the site was a challenge. Mrs. Georgino, Community Development Director, also expounded on the lease of Parking Lot O and noted that closure of First Street was not the developer's first choice, but was a trade off between losing parking spaces in the Orange Grove parking lot and travel lanes. She also noted the need to construct the parking structure in a timely manner.

Mr. Golonski expressed concern with the loss of lanes on First Street but noted that staff has done their due diligence in seeking alternatives. He also noted the inevitable impacts of such large projects, and expressed support for the project moving forward to enable the construction of the parking structure.

Mr. Vander Borcht agreed that staff and the developer have worked hard to come up with other viable alternatives, but still expressed concern with the traffic impact on First Street which would have to be accommodated by one lane in each direction for a period of 27 months. Mr. Johnson assured the Council that a 15,000-vehicle volume can be accommodated with two travel lanes and a turn lane. He added that the Level Of Service (LOS) for the intersections on First Street will be no worse than LOS C as opposed to the current LOS B. Mr. Vander Borcht also noted the need for enforcement capability to ensure that construction trucks are staged away from the area, to avoid exacerbating the traffic issues and to ensure pedestrian safety.

Motion

It was moved by Mr. Golonski and seconded by Mrs. Ramos that the following resolutions be passed and adopted and that the City Council resolution requiring a four-fifths vote be brought back in six months:"

RA 41 Approved Lease Agrmt w/Burbank Collection LTD (57 E. Palm Ave.) RESOLUTION NO. R-2145: A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING THE LEASE AGREEMENT BETWEEN THE AGENCY AND BURBANK COLLECTION LTD (57 EAST PALM AVENUE).

Parking Auth. Reso. Adopted Parking Authority Resolution No. P-68 Approving Certain Construction Related Agreements with Burbank Collection, LTD., and Certain Parking Agreements Related to the Orange Grove Parking Structure (133 East Orange Grove Avenue) was adopted.

City Council Reso. Adopted City Council Resolution No. 27,159 Approving Certain Construction Related Agreements with Burbank Collection, LTD., and Certain Parking Agreements Related to the New Public Parking Structure (Collection Project) was adopted.

City Council Reso. Adopted City Council Resolution No. 27,160 Approving Final Map of Tract No. 62742 and the Subdivision Improvement Related Thereto Between Burbank Collection LTD. and the City of Burbank was adopted.

Adopted The resolutions were adopted by the following vote:

Ayes: Members Golonski, Ramos and Vander Borgh.
Noes: Members None.
Absent: Member Campbell.

10:08 P.M. Recess The Agency recessed at this time to permit the City Council to continue its meeting. The Agency reconvened at 11:13 p.m. for public comment with the same members present.

11:18 P.M. Adjournment There being no further business to come before the Agency, the meeting was adjourned at 11:18 p.m.

Margarita Campos, CMC
Secretary

APPROVED JUNE 6, 2006

Chairperson