

Agency staff members present: Executive Director Jim Taubert, General Counsel/City Attorney Richard Denhalter, Agency Treasurer/Finance Director David Croff, Redevelopment Manager Bob Wilson, Neighborhood Preservation Manager Manuel Ruiz, Agency Secretary Sandi Brown and Office Assistant Elizabeth Ybarra.

City of Madera staff members present: City Administrator David Tooley.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Robert Poythress.

PUBLIC COMMENT – REGULAR SESSION

The first fifteen minutes of the meeting are reserved for members of the public to address the Agency or Council on items which are within the subject matter jurisdiction of the Agency or Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson/Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Agency and Council are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Agency or Council does not respond to public comment at this time.

*Mayor/Chairperson Poythress opened the Public Comment portion of the meeting inviting members of the public to address the City Council/Agency/Commission on non-agenda items.
No comments were offered.*

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress recessed the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:35 p.m. and called for the items as listed on the regular meeting agenda of the Housing Authority.

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress adjourned the Regular Meeting of the Housing Authority of the City of Madera at 6:44 p.m. and reconvened the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:47 p.m.

Mayor/Agency Chairperson called for the items as listed on the Consent Calendar.

4. CONSENT CALENDAR

- 4A.** Minutes of the Joint Meeting of the Special Meeting of Madera City Council and Special Meeting of the Madera Redevelopment Agency – March 6, 2011 **(City/Agency)**
- 4B.** Minutes of the Joint Meeting of the Special Meeting of Madera City Council and Regular Meeting of the Madera Redevelopment Agency – March 9, 2011 **(City/Agency)**
- 4C.** Listing of Warrants Issued from March 5, 2001 to April 8, 2011 **(Agency)**
- 4D.** Monthly Financial Reports – Redevelopment Agency **(Agency)**
- 4E.** Monthly Financial Reports – Code Enforcement **(City)**
- 4F.** Code Enforcement Activity Report **(City)**
- 4G.** Acceptance of Redevelopment Agency Office Building at 428 East Yosemite, Project No. RDA 10-01 **(Agency)**
- 4H.** Consideration of a Resolution Amending the 2010/2011 Agency Budget **(Agency)**

Mayor/Chairperson Poythress asked members of the Council/Agency Board if there were items on the Consent Calendar they wished to have pulled for further discussion. There were none.

MRA-1467

A RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY MADERA,
CALIFORNIA AMENDING THE 2010-2011 FISCAL YEAR BUDGET (4H)

On motion by Council/Agency Member Frazier, seconded by Council/Agency Member Svanda, the Consent Calendar with an exception of Item 4A, Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Special Meeting of the Madera Redevelopment Agency – March 6, 2011 and Item 4B, Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency – March 9, 2011, was approved, by the following vote 5/0 vote: Ayes: Council/Agency Members Poythress, Frazier, Bomprezzi, Svanda and Armentrout; Noes: None resulting in the adoption of Resolution **MRA-1467**.

On motion by Council/Agency Member Frazier, seconded by Council/Agency Member Svanda, Item 4A, Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Special Meeting of the Madera Redevelopment Agency – March 6, 2011, was approved by the following 3/0 vote: Ayes: Council/Agency Members Poythress, Frazier and Svanda; Noes: None; Abstained: Council/Agency Members Bomprezzi and Armentrout.

On motion by Council/Agency Member Frazier, seconded by Council/Agency Member Svanda, Item 4B, Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency – March 9, 2011, was approved by the following 4/0 vote: Ayes: Council/Agency Members Poythress, Frazier, Bomprezzi and Svanda; Noes: None; Abstained: Council/Agency Member Armentrout.

5. PROJECTS AND REPORTS

5A. Update on Governor Brown’s Proposed State Budget (Agency)

- (1) CRA’s Alternative Proposal
- (2) SB 450 (Senator Alan Lowenthal)

Mr. Taubert mentioned that it continued to be an exciting time to be in the field of redevelopment. The two major issues that came up are 1) California Redevelopment Association proposed a compromise which has received the endorsement of the League of California Cities. In order to not violate Proposition 22 it allows local redevelopment agencies to voluntarily suspend their housing set asides for the 2011/2012 fiscal year and give that money to the schools. An alternative would be to give a portion of our capital projects money to the schools.

Mr. Taubert reviewed the estimated local impact outlined in the staff report as follows:

OPTION 1			
	Voluntary Contribution to State	Additional Years	
Housing TI 20% Set Aside	\$1,409,049	2	
OPTION 2			
Gross Tax Increment	\$7,045,247		
Less Pass Through Pmts	<u>(2,087,885)</u>		
TI Revenue Stream	\$4,957,362		
Voluntary Contribution to State			
	Annual	10 Years	Add'l Years
1%	\$49,574	\$495,736	1
2%	99,147	991,472	2

3%	148,721	1,487,209	3
4%	198,294	1,982,945	4
5%	247,868	2,478,681	5
6%	297,442	2,974,417	6
7%	347,015	3,470,153	7
8%	396,589	3,965,890	8
9%	446,163	4,461,626	9
10%	495,736	4,957,362	10

According to CRA Executive Director John Shirey, the proposal does not have the support of Governor Brown, but has gained some “traction” among some members of both parties in the legislature.

Mr. Taubert mentioned that he had a conversation with Assembly Member Olsen’s district representative and with Senator Canella’s staff to see if there was a way for the Madera Redevelopment Agency to get a credit for the \$4.2 million contribution made to the State of California for the new courthouse.

Mr. Taubert also noted that if this does pass we will have 60-days to make a decision and once we have made a decision it’s binding. If we make a decision and property values go down we are still stuck with the decision we made in those first 60-days.

The second item that occurred is SB450 introduced by Senator Lowenthal out of Long Beach.

Mr. Taubert said this is significant on a number of fronts including the following:

1. Senator Alan Lowenthal is a Democrat.
2. The bill passed out of the Senate Transportation and Housing Committee on a 9-0 vote.
3. Six (6) of the committee members are Democrats. It doesn’t make sense to vote to reform a program you intend to eliminate.

It is a significant piece of legislation the primarily deals with the use of administration of housing funds. The key components are as follows:

- ✓ Planning and general administrative expenses are limited to 15% of the annual tax increment deposited into the Housing Fund. **Over the past five (5) years our administrative expenses have ranged from 8% to 20%.**
- ✓ Compensation and related non-personnel costs can only be charged for employees directly involved in affordable housing. **This will necessitate changes in our accounting procedures and the city’s cost allocation system.**
[In a challenge related to the proportionality of costs spent on planning and administration, the agency bears the burden of proving the costs are proportionate.]
- ✓ The agency must adopt an annual resolution “finding” based on substantial evidence that the planning and general administrative expense will not exceed 15%. **We adopt this resolution in conjunction with the adoption of the annual budget; however, future findings will need to be much more detailed.**
- ✓ The agency’s annual report shall state the amount and percentage of housing funds spent on planning and administration for each of the past five (5) years. **This information will be included in this year’s report.**
- ✓ Failure to comply with the requirements regarding planning and general administrative expenditures is a major audit violation. On an annual basis HCD will determine whether each agency has corrected any major audit violations identified in the previous fiscal year. Monetary sanction could be levied for not correcting major violations.
- ✓ State Controller may conduct quality control reviews of redevelopment agency audits.
- ✓ Housing funds cannot be spent on:
 - (a) Code Enforcement

- (b) Land use planning/housing elements
- (c) Lobbying
- (d) Administration of non-redevelopment activities

We have never used Housing Funds to fund these activities.

- ✓ Within five (5) years of the acquisition of property with housing funds, the agency is required to complete at least one (1) of the following:
 - (a) Enter into a DDA
 - (b) Obtain entitlements and secure full financing

Current market conditions and the fact the state keeps taking our money makes this problematic.

- ✓ Agency no longer has the option to transfer excess surplus to the housing authority. The agency must spend the excess surplus or face the death penalty.
We have never had an excess surplus.

- ✓ Agencies are required to annually deposit one half of one tenth percent (.05%) into a separate statewide Redevelopment Agency Accountability Fund to fund HCD audits.
We provide annual reports to HCD and the State Controller's Office. Presumably this means the reports will actually be read.

No action was taken by the Agency Board. This was a discussion item only.

5B. Discussion and Authorization to Bid the Yosemite Avenue/Elm Avenue Signalization Project (Agency)

Mr. Taubert presented the staff report by stating that by previous action the Agency approved a Disposition and Development Agreement with Ironhorse Elm, LLC for sale of property located at the southeast corner of Yosemite Avenue and Fig Street.

As part of that agreement the Agency agreed to construct a traffic signal at the corner of Yosemite Avenue and Elm Street as soon as they were ready to go with building permits.

Ironhorse Elm, LLC is requesting that the Agency proceed with the project due to the following factors:

- 1) Prospective tenants at the Crossroads and Yosemite Pavilion shopping centers view the 'right turn only' intersection (Yosemite/Elm) to be a locational liability.
- 2) Signalized intersections have become a prerequisite for a number of national retailers.
- 3) The installation of a signal will project the image that this is an active and growing area.

Mr. Taubert stated the staff is recommending that the Agency proceed with the bid process. He noted that there is funding available.

Agency Member Armentrout asked where the funds were moved from.

Mr. Taubert responded by stating that the funds were put in the reserves when all projects were discontinued.

On motion by Agency Member Armentrout and seconded by Agency Member Svanda, staff was authorized to bid the Yosemite Avenue/Elm Avenue Signalization Project, by the following 4/0 vote: Ayes: Agency Members Poythress, Frazier, Bompreszi, Armentrout and Svanda, Noes: None.

6. AGREEMENTS

There are no items for this section.

7. HOUSING

7A. Consideration of Resolutions Amending the Disposition and Development Agreement and Releasing the Construction Loan Agreement with DMP Development Corporation, Inc. for Property Located at 209 Cypress (Agency)

Chairperson Poythress declared a conflict of interest on Item 7A due to a customer relationship.

Chairperson exited the Council Chambers at 6:57 p.m.

Vice-Chairperson Frazier called for Item 7A.

Mr. Taubert presented the staff report by stating that by previous action the Agency approved a Disposition and Development Agreement and Construction Loan Agreement with DMP Development Corporation, Inc. for the property located at 209 Cypress.

Due in part to the mixed-use character of the neighborhood, they have had a difficult time finding a buyer. Mr. Mike Pistorosi has expressed a desire to pay off the construction loan and rent the unit to persons or families in the targeted income group.

Staff recommends the Agency Board take the following actions:

- 1) Adopt a resolution approving an amendment to the Disposition and Development Agreement with DMP Development Corporation, Inc.
- 2) Adopt a resolution approving the release of the Construction Loan Agreement with DMP Development Corporation, Inc.

MRA-1468 RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY APPROVING AMENDED DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF THREE HOMES TO BE BUILT BY DMP DEVELOPMENT CORPORATION, INC., IN MADERA, CALIFORNIA KNOWN AS 209 CYPRESS STREET, 215 SOUTH 'J' STREET AND 321 SOUTH 'J' STREET WHICH ARE TO BE AFFORDABLE TO PERSONS AND HOUSEHOLDS OF VERY LOW, LOW AND/OR MODERATE INCOME AND AUTHORIZING THE CHAIRPERSON TO EXECUTE THE DOCUMENTS ON BEHALF OF THE AGENCY (7A)

MRA-1469 RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY, MADERA CALIFORNIA, APPROVING THE RELEASE OF DMP DEVELOPMENT CORPORATION FROM CONSTRUCTION LOAN AGREEMENT RECORDED ON PROPERTY LOCATED AT 209 CYPRESS STREET AND AUTHORIZING THE CHAIRPERSON TO RELEASE THE CONSTRUCTION LOAN AGREEMENT ON BEHALF OF THE MADERA REDEVELOPMENT AGENCY (7A-2)

On motion by Agency Member Armentrout, seconded by Agency Member Bomprezzi, the adoption of resolutions MRA-1468 and MRA-1469 was approved by the following 4/0 vote: Ayes: Agency Members Frazier, Bomprezzi, Armentrout and Svanda; Noes: None; Abstained: Agency Member Poythress.

Chairperson Poythress returned to the Council Chambers at 6:59 p.m.

8. GENERAL

There are no items for this section.

9. AGENCY MEMBER REPORTS

Council/Agency Member Frazier reported that he attended a neighborhood block party on the 800 Block of South 'B' Street. He mentioned that there was an attendance of about 50 people from the neighborhood. It was a positive step forward in our outreach in getting our community to come together and look out for

each other. He also mentioned that at the block party there was not a bounce house planned but that morning a neighbor offered to donate a bounce house for the kids.

Council/Agency Member Poythress mentioned that he appreciated the efforts of the Agency in promoting these events by providing direction and encouragement to the neighborhoods.

No additional comments were presented.

10. ADJOURNMENT

Mayor/Chairperson Poythress adjourned the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 7:01 p.m.



Elizabeth Ybarra, Recording Secretary



Mayor/Chairperson Robert Poythress

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