

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress adjourned the Closed Session portion of the meeting at 6:09 p.m.

RECESS

3. CALL TO ORDER – REGULAR SESSION

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress opened the Regular meeting of the Housing Authority of the City of Madera and the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:30 p.m. and called for the roll call.

ROLL CALL Present: Mayor/Chairperson Robert Poythress
Council/Agency Member Gary Svanda
Council/Agency Member Andrew Medellin

Absent: Mayor Pro-Tem/Vice Chairperson Brett Frazier
Council/Agency Member Sally Bompreszi

Agency staff members present: Executive Director Jim Taubert, Interim General Counsel/Interim City Attorney Brent Richardson, Agency Treasurer/Finance Director David Croff, Redevelopment Manager Bob Wilson, Neighborhood Preservation Manager Manuel Ruiz, and Agency Secretary Sandi Brown.

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor/Chairperson 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.

No comments were heard.

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 at 6:33 p.m. and called for the items as listed on the Housing Authority meeting agenda.

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress adjourned the meeting of the Housing Authority of the City of Madera at 6:40 p.m. and reconvened the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:42 p.m.

Agency Secretary Sandi Brown announced that per Government Code section 54957, members of the public are advised that the Preliminary Draft of the Recognized Obligation Payment Schedule, which is Exhibit 'A' of the resolution for that item, has been revised and copies distributed less than 72 hours prior to the meeting. She said anyone wishing a copy of the revised document can pick up a copy at the podium.

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

4. CONSENT CALENDAR

- 4A. *Corrected* Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Special Meeting of the Madera Redevelopment Agency – July 13, 2011 **(City/Agency)**
- 4B. Minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Special Meeting of the Madera Redevelopment Agency – August 10, 2011 **(City/Agency)**
- 4C. Listing of Warrants Issued from August 6, 2011 to September 9, 2011 **(Agency)**
- 4D. Monthly Financial Reports – Redevelopment Agency **(Agency)**
- 4E. Monthly Financial Reports – Code Enforcement **(City)**
- 4F. Code Enforcement Activity Report **(City)**
- 4G. Update on the Courthouse Relocation Project **(Agency)**
- 4H. Update on Tire Amnesty Day Event Held August 20, 2011 **(City)**

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. No requests to pull items for further discussion were made.

Mayor/Chairperson Poythress called for a motion to approve the items as presented on the Consent Calendar.

On motion by Council/Agency Member Medellin, seconded by Council/Agency Member Svanda, the Consent Calendar, including the approval of the corrected minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency for July 13, 2011, and the minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency for August 10, 2011, was adopted by a vote of 3/0. AYES: Council/Agency Members Poythress, Svanda and Medellin. ABSENT: Council/Agency Members Frazier and Bomprezzi.

5. PROJECTS AND REPORTS

5A. Update on State Budget (Agency)

Mr. Taubert presented the staff report advising that there has been a lot of recent action and said on the plus side the legislators adjourned early Friday with no further damage done to redevelopment. He said that the League and the California Redevelopment Association have filed a motion regarding the lawsuit. He noted that the Madera Redevelopment Agency has adopted a Voluntary Alternative Redevelopment Plan (VARP), which said we are going to go ahead and pay the amount and continue to operate. However, when the courts issued the stay, they put a stay on any actions by redevelopment agencies. He said that means everybody is at a standstill – they can't do agreements, they can't buy, they can't sell. He said that the motion is that those agencies that have adopted a VARP ordinance be allowed to continue to operate. The Supreme Court was out last week and they do expect a ruling on that, but are not sure when it will come.

Mr. Taubert reported that the Agency did submit the final appeal and if successful, we will save approximately \$900,000 this year and about \$187,000 per year after that. He said that the basis for submitting an appeal is because the state did not take into account the fact that we issued a \$25,000,000 bond in 2008/2009. He added that we believe that the appeal will result in our favor.

Mr. Taubert reported that we have adopted the VARP ordinance and the Enforceable Obligation Payment Schedule (EOPS) and tonight the Board is being asked to consider approving the Initial Recognized

Obligation Payment Schedule (IROPS). He said during the sessions last Thursday and Friday there were 6-7 redevelopment bills introduced in the state legislature asking for special deals for special communities. He commented one of the bills was for the City of Whittier requesting a special carve out relative to the legislation. San Jose and Rocklin also had bills specific to their projects. Mr. Taubert said that Senator Cannella, Senator Huff and Senator Dutton did an extremely good job in opposing the bills adding that they too have communities that would like a special carve out, and perhaps we are finding that we (legislature) shouldn't have passed this legislation. He said that comments were offered by both Democrats and Republicans and when they come back in January, there will be significant dealing with redevelopment. However, everyone wants to wait and see what the court ruling is.

Mr. Taubert commented that the other announcement that recently came out is Moody investment services said that they are going to be looking at possible downgrades on all redevelopment bonds. Mr. Taubert added "how could they not, given this particular legislation."

Agency Member Svanda, referring to a letter dated September 6, 2011 received from Senator Cannella, stated that the senator's letter outlined some issues, one being 'Redevelopment.' Member Svanda quoted Senator Cannella as follows: "In the meantime, RDAs may remain in existence and cannot be forced to make any payments; however, they cannot incur new debt, transfer assets, acquire property or enter into or modify contracts." He then asked staff if the first payment to the state, in the large dollar amount, had already been issued. Mr. Taubert said no, adding that the first check is not due until January 15, 2012, and added that the Agency is prohibited from writing checks of that magnitude. Mr. Taubert asked Member Svanda for a copy of the senator's letter.

Chairperson Poythress asked if there were additional questions; there were none.

5B. Consideration of a Resolution Approving the Preliminary Draft of the Initial Recognized Obligation Payment Schedule (Agency)

Mr. Taubert presented the staff report advising that staff worked to complete the Preliminary Draft of the Initial Recognized Obligation Payment Schedule (IROPS) and completed it last Friday. On Monday of this week, he advised that staff received further directions on the data to be reported on the schedule from the CRA technical committee and the schedule was then revised. Mr. Taubert said staff took the approach when revising the schedule to include projects in which the Agency has made significant expenditures. He noted that the eleven (11) significant projects represent several million dollars of expenditures. Mr. Taubert said the revised chart distributed tonight includes the 'color' of money spent to fund the activities listed on the schedule. He said the two main elements on the revised chart are: 1) Staff identified the 'color' of the money used to fund the project; 2) The EOPS was expenditures specifically from August to December 2011 and the IROPS includes expenditures through June 2012.

Chairperson Poythress asked if there were additional questions; there were none.

*On motion by Agency Member Svanda, seconded by Agency Member Medellin, Resolution **MRA-1491** was adopted by a vote of 3/0. AYES: Agency Members Poythress, Svanda and Medellin. ABSENT: Agency Members Frazier and Bomprezzi.*

MRA-1491 RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY, APPROVING AND ADOPTING THE PRELIMINARY DRAFT OF THE INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO PART 1.8 OF THE REDEVELOPMENT LAW

6. AGREEMENTS

There are no items for this section.

7. HOUSING

7A. Discussion Regarding the Neighborhood Stabilization Program 3 (NSP3) Grant and Consideration of a Resolution Approving an Agreement with Madera County (City)

Mr. Taubert reported that Madera County successfully applied for \$1.6 million grant in Neighborhood Stabilization Program 3 funds. He said they received the funding but needed help implementing the program and thus issued a request for proposals. Mr. Taubert advised that we (City/RDA) submitted a proposal, competing with Self-Help, and the county selected us. He added due to the stay that now prohibits the Agency from entering into new agreements, the City will enter into the agreements. The City's Grants Department will be responsible for the administrative oversight, and RDA employees (who are technically City employees on loan to the Agency) will be completing the acquisition, rehabilitation and the resale.

Interim City Attorney Brent Richardson concurred with the Executive Director's summary and said that basically the agreement is with the City and if at some point the Agency gets released to enter into agreements and the City wants to then delegate it, they could do so. It is strictly a City deal at this point.

Council Member Svanda asked if the City will receive funds for the administrative costs and fees involved in the program, even though the 'worker bee' will be out of the Agency. Mr. Taubert said that he believes everybody will be okay; everybody will be better off doing this, as opposed to not doing this. He reported that the first ten (10) projects have to be in Parkwood area, either new or old Parkwood. He added that once we use the initial funding, which staff estimates at being ten (10) houses, we can petition for other areas of the city and/or county and the money will continue to circulate.

Council Member Svanda asked if this was a reoccurring grant; in other words, if you start with \$1.6 million and happen to make a profit and end up with \$1.75 million and then add another million next year. Mr. Taubert replied that was a potential. Member Svanda observed that the government is trying to get government to clean up the financial mess. You are having us buy foreclosures, rehab them and get them back into the community as affordable housing units – correct? Mr. Taubert said that was correct and continued saying that we have scouted the area and there are 7-8 homes that we can jump on right away. Member Svanda asked if we are working through realtors or trying to do everything ourselves. Mr. Taubert said we are working through the real estate community.

Council Member Medellin asked for clarification – did staff say there were ten (10) houses in need? Mr. Taubert responded there are a lot of homes in that area, but staff has just identified the low-laying fruit. Redevelopment Manager Bob Wilson added that the ten homes identified are located in the old Parkwood area and are the obvious homes with letters on the windows. Member Medellin concurred there are a significant number of homes in the Parkwood area, noting that he had driven the area and wondered how far staff intended to take the project.

Mr. Taubert advised that staff is anticipating buying the homes for \$60,000, and put them back on the market for the high \$70,000 to low \$80,000. He said at that price point, we can turn the homes fairly quickly. He said that a portion of the grant is for downpayment assistance, which is what the City will be overseeing. The project will create activity for Daniel Abdella and his staff in terms of doing downpayment assistance loans.

Council Member Svanda commented that \$1.6 million cycled through is not a small hit. Mr. Taubert estimated that most of the rehab will create local jobs.

Council Member Medellin asked if the grant covered infrastructure improvements as well. Mr. Taubert responded that infrastructure improvements were specifically precluded from this grant.

Mayor Poythress asked if there were additional questions; there were none.

On motion by Council Member Svanda, seconded by Council Member Medellin, **Resolution No. 11-193** was adopted by a vote of 3/0. AYES: Council Members Poythress, Svanda and Medellin. ABSENT: Council Members Frazier and Bomprezzi.

RES NO 11-193 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING AN AGREEMENT WITH THE COUNTY OF MADERA RELATED TO THE NEIGHBORHOOD STABILIZATION PROGRAM 3 GRANTS ADMINISTRATION

7B. Consideration of a Resolution Approving Guidelines for the Purchase of Foreclosed Properties (City)

Mr. Taubert reported that staff has experienced over the past several years situations where the Agency has tried to acquire properties, for instance some of the old Victorian properties on A-B-C-D streets that were bank-owned, and attempted to get them under contract but didn't meet the timelines because we had to bring the item before the City Council. Mr. Taubert explained that staff is asking to be able to purchase certain properties and report to the Council after we have it under contract so that we can act immediately on good deals. He said the guidelines call for David Tooley or his designee, and Mr. Tooley may choose to designate people out of our office. What staff would do, he continued, would be to get the properties under contract and then bring it to the City Council after the fact. He said staff is modeling the program after a program that was implemented in Clovis. The basic guidelines require that the property must be in the designated target area and they must be foreclosed and abandoned. Mr. Taubert said that staff is asking for this approval to give us a little more flexibility in acquiring the property.

Council Member Svanda asked since the money was allocated to the county, if we buy, rehab and sell, does the county receive credit for the affordable unit, or do we. Mr. Taubert said the county would get credit that would meet their Regional Housing Needs Allocation, but we get 50% credit since the homes are located outside the project area.

Mayor Poythress asked if there were additional questions; there were none.

On motion by Council Member Svanda, seconded by Council Member Medellin, **Resolution No. 11-194** was adopted by a vote of 3/0. AYES: Council Members Poythress, Svanda and Medellin. ABSENT: Council Members Frazier and Bomprezzi.

RES NO 11-194 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING GUIDELINES FOR THE PURCHASE OF FORECLOSED PROPERTIES RELATED TO THE NEIGHBORHOOD STABILIZATION PROGRAM 3 GRANTS ADMINISTRATION

7C. Letter from Mike Pistoresi Regarding Property Located at 209 Cypress Street (Agency)

Chairperson Poythress advised that discussion of this item will have to be postponed to another meeting as he would have a conflict due to a business relationship. Mr. Richardson advised that the communicant has requested to have the item pulled and will request to have it put on a future agenda.

8. GENERAL

There are no items for this section.

9. AGENCY MEMBER REPORTS

Mayor/Chairperson Poythress stated that he had a question of staff with regard to the Agency's affordability covenants, and wondered if staff could provide some information on the subject.

Mr. Taubert replied when the Agency participates in housing projects, whether ownership or rental, we have an affordability covenant. So when we spend money on a project, that means the unit must be affordable to persons or families within the targeted income group. He advised that 98% of our projects are

ownership projects because the developer is only our partner for about 90 days, then he sells the house to a homeowner and he doesn't have to deal with us again. Mr. Taubert said the reason the developer doesn't want us as a partner on rental units is because it is a life-long relationship, requiring annual reporting and rental control. Mr. Taubert gave an example of a proposed Agency project with Dr. Peffly as the developer of affordable rental units, and said Dr. Peffly ultimately declined Agency assistance because his lender declined funding because of the affordability covenants placed on the property, which they saw as rent control. Mr. Taubert explained that the rent is tied to the income of the tenant.

Interim City Attorney Brent Richardson suggested that if the Council had further questions, the item should be placed on a future agenda for discussion or a workshop. Mayor Poythress said that a workshop would be great and thanked staff for the brief explanation provided.

10. ADJOURNMENT

Mayor/Chairperson Poythress adjourned the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 7:02 p.m.



Sandi Brown, Agency Secretary



Mayor/Chairperson Robert Poythress

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