



**ARMY DEPOT
REDEVELOPMENT ADVISORY COMMITTEE**

Meeting Minutes
Thursday, April 27, 2006
George Sim Community Center, 6207 Logan Street
Sacramento, CA 95824

1. Call to Order and Roll Call

Chairman Timothy Lien called the meeting to order at 5:35pm. Roll Call was conducted.

RAC Members Present: Jose G. Chacon, Don Colquitt, Burnie D. Lenau, Tim Lien, Constance Slider, Rosalie Vierra, Steve Vourakis, Dahlia Ward

RAC Members Absent: John Healey, Joseph Hensler, Bernardo Hubbard, Dorothy Medley

Staff Present: Gregory Ptucha and Chris Pahule, SHRA

2. Approval of Minutes

The minutes of the March 16, 2006 meeting were approved by unanimous vote on a motion by Mr. Lenau that was seconded by Mrs. Vierra.

3. General Comments

a.) Mr. Raj Narayan, owner/operator of Elder Creek Market, described two proposed projects:

- A 9,000 square foot, 4-story retail/office/residential building intended to replace what is located on the site of his existing market; and
- New gutters, curbs, sidewalks and sewer on Ring Drive, south of Elder Creek Road.

Mr. Narayan also mentioned the necessary follow-up on previous commitments to evaluate the need for traffic-calming features on Ring Drive, now that new housing units have been completed and occupied. Mr. Lien confirmed that Mr. Narayan is in receipt of a set of guidelines that SHRA uses for the evaluation on individual projects. Staff was asked to follow-up with Mr. Narayan to assure appropriate City personnel are contacted to confirm how the new building and the street/sewer improvement project would be evaluated. Staff was also asked to follow-up on the schedule to evaluate Ring Drive for traffic-calming.

b.) Audience member Nelson Levia asked the RAC to help improve existing “hardscape” areas that separate Elder Creek Road from two blockfronts of residences (Aliso Way eastward to about 79th Street. Staff will investigate and follow-up.

4. RAC Member Project Status Reports

Affordable Housing

RAC member Dahlia Ward invited members of the community to address the RAC about the types of housing units needed in the area. Many of those present were not English-speakers, so they expressed their views through translators. Many audience members advocated for senior housing. There was support for ownership housing as well as for rental

housing. Ms. Vierra noted her recent experience in assisting others in the search for affordable housing, and her view that, given market conditions, rental housing was more appropriate than ownership housing for many of modest means. Housing costs have created pressure for some families to share housing units with others. A property manager in the audience reinforced the view that there is more demand for affordable housing than there are units available. Support was expressed for development of many more affordable units.

The availability of vacant residential land was discussed, and Ms. Ward noted that land values have increased significantly, which limits project feasibility. An audience member who owns some vacant parcels in the area expressed interest in developing affordable housing, but needs information on resources and tools available (Staff will follow-up).

Mr. Lenau asked about the need to create a sense of community, and Ms. Ward described some different housing models, some of which are designed with that purpose.

An audience member expressed the need to increase accountability regarding projects in which the Agency would be involved with contracting. Recent local media reports about problems with the Agency's rehabilitation and sale of housing units in Oak Park was discussed. There was discussion about identifying and favorably resolving obstacles and impediments in any of the Agency's existing affordable housing programs to ease the process and better achieve redevelopment objectives. Staff was asked to address this issue at the May meeting.

An audience member expressed concern that input from local church congregations was not being actively solicited. He also advocated for residential treatment facilities for drug abusers. He encouraged the Agency and RAC to focus on the goal of community revitalization.

As there were no further comments, RAC members expressed appreciation for the insights provided by the audience.

Traffic Calming

Ms. Ward introduced parents of students who attend Will C. Wood Middle School at the northwest corner of Lemon Hill Avenue and 65th Street. Ms. Robin Harris described how a chronic problem with safety for school children who have to cross this signaled intersection. Some physical changes to the intersection, including signage, have not solved the safety problems, so the group is seeking additional ways to improve safety—perhaps traffic police and/or crossing guards.

The parents have met with Council person Kevin McCarty to discuss additional improvements. Construction of a pedestrian bridge appears infeasible due to its reported \$1 million cost. Scenarios being investigated include the use of parent volunteers as crossing guards. The school district has responded with concerns about potential liability risk if parent volunteers are used. Liability risk was discussed, with some doubt expressed on whether it is a genuine obstacle.

Audience members were seeking a favorable reaction from the RAC about possible financial support for crossing guards. Staff and RAC members noted that using redevelopment funds for personnel expenses is generally not a permitted expense, but that funding of capital improvements is generally eligible. Mr. Chacon noted the recent funding of the Workcreation program, which was discussed in the context of personnel expenses. Staff reported that the Agency's General Counsel made a finding that that expense was consistent with the redevelopment objectives of the Project Area. There was a desire to pose the question of funding eligibility to the Agency. Chris Pahule suggested that a letter be addressed to the Agency, with copies to the RAC, and Staff would forward the inquiry to the Agency's Legal Department.

Landscaping

Mr. Hubbard was absent and unable to report. Audience member Germain Gill of the South East Neighborhood Association strongly advocated for more landscaping and streetscape improvements on major streets. Irrigation and lighting improvements are also necessary. Mr. Gill expressed appreciation for efforts by the Power Inn Business and Transportation Association (BTA) to clean up problem areas within the BTA's service area.

Street Improvements

Mr. Hensler was absent and unable to report. Mr. Gill and others described the need to limit Federal Express vehicles that are using neighborhood streets as short-cuts to/from the company's Berry Avenue facility, which has reportedly tripled its business volume in recent months.

Bicycle Facilities

Mr. Hensler was absent and unable to report.

Code Enforcement

Mr. Chacon and Mr. Colquitt reported on progress being made with the developer of Caina Court and the City's Neighborhood Services Department and City Code Enforcement officials. Special note was made of fencing to prevent vehicles from crossing from Caina Court to Rancho Pico Way and Cunningham Way.

Bus Stops & Amenities

Ms. Medley was absent and unable to report. Mr. Lien noted that Ms. Medley's decision to not seek another term on the RAC will require identifying another "champion" for this project activity.

Grocery Store

Mr. Healey was absent and unable to report.

5. Project Prioritization for Pending City Bond/Loan Proceeds

RAC members discussed how the Project Area might benefit from the anticipated \$10 million to be lent to the Agency by the City, using pending bond proceeds. The debt would be serviced by the tax increment that results from the 2005 assessment of taxable property in the Project Area. Attachment 2 of the meeting packet and its appendix summarized previous RAC discussions, as well as recent discussions by the RAC's executive committee at its April 12 meeting. Since the SHRA Commission was expected to act on a proposal to authorize participation in the City bonds at its May 3rd meeting, to be followed by May 16 action by the City Council, the RAC's executive committee put forth a proposal for prioritization of the use of these funds as a non-binding guide when projects are presented for funding consideration:

Transportation and Utility Infrastructure Projects:	35% of funds ^(a)
Commercial & Economic Development Projects:	35% ^(b)
Housing Projects:	20% ^{(b) (c)}
Parks/Recreation and Community Facilities Projects:	10% ^(a)

^(a) *Estimated at \$4,500,000 (tax exempt) for activities such as park improvements, infrastructure improvements to facilitate development, streetscape improvements, community facilities, and other related expenses. Potential projects include: George Sim Community Center expansion, on-street and off-street bicycle facilities planning and implementation; Traffic Calming projects; and street improvements*

(b) Estimated at- \$5,500,000 (taxable) for activities such as gap financing, housing development, property acquisition and related expenses needed to facilitate commercial and economic development. Potential projects include: assemblage of parcels for development of a grocery store, commercial development, and housing development assistance.

(c) Note that the legally-mandated 20% set-aside of tax increment for affordable housing projects will not be used to leverage the City bond proceeds. Therefore, the 20% figure above represents a potential additional \$2 million that would be added to the statutory 20% set aside amount.

Discussion initially focused on whether housing should receive 20% of the 80% of funds that are usually reserved for non-housing activities. Ms. Ward stated that the increase in assessed valuations that is providing the funds to leverage the bond is largely due to increases in residential values.

There was discussion about the different uses for “taxable” and “tax-exempt” funds, and the timeframe during which each must be expended.

Ms. Slider expressed concern that 20% of the \$10 million total would result in only \$2 million for (possible) support of ownership housing projects (see notation “c” above). She pointed out the statutory 20% housing set-aside funds would be limited to use for affordable (i.e., rental) projects and programs.

Ms. Slider and Mr. Chacon expressed misgivings about voting on this issue, as they were not yet fully-informed. Mr. Lien noted that action was needed due to the time constraints imposed by the City’s bonding calendar. Ms. Ward suggested a different set of ratios. This was eventually made into a motion by Mr. Chacon—seconded by Ms. Slider—that the funding priorities should be as follows:

Housing Projects:	50%
Transportation and Utility Infrastructure Projects:	20%
Commercial & Economic Development Projects:	20%
Parks/Recreation and Community Facilities Projects:	10%

Discussion included questions about housing projects currently being planned that might be able to use the approximately \$5 million that this ratio would generate. Mr. Chacon’s view was that senior housing, in particular, is sorely needed.

Mr. Vourakis suggested that any percentage above 20 – 30% for housing was too ambitious. He noted that this pending bond will be followed by future bonds that will replenish funding available for projects. Ms. Slider encouraged a large percentage for housing as a way to make a powerful statement.

Mr. Lenau expressed concern about the potential of concentrating too much low-income housing in the Project Area, which could be counterproductive to its redevelopment goals.

Mr. Lenau asked about the RAC’s ability to change the taxable/tax-exempt ratios. Chris Pahule advised that, once the bond package is approved by City Council, the ratios for Army Depot are fixed.

The motion lost on a vote of 3:5:0, with Colquitt, Lenau, Lien, Vourakis, and Vierra voting “no.”

Ms. Vierra then put forth a motion—seconded by Mr. Lenau—for the funding priorities to be:

Housing Projects:	30%
Transportation and Utility Infrastructure Projects:	30%
Commercial & Economic Development Projects:	30%
Parks/Recreation and Community Facilities Projects:	10%

This motion passed on a vote of 5:3:0, with Mr. Chacon, Ms. Slider and Ms. Ward voting “no.”

6. Sim Park Monopole

This item was described briefly in Attachment 2 of the meeting packet. Greg Ptucha also circulated a copy of the materials received from the City's Department of Development Services. Staff corrected a notation that the monopole was to replace an existing one—there is no existing cellular tower. Audience member Germain Gill said the neighborhood association approved the proposal with requested changes to the screening material and the addition of chain link to prevent baseballs from entering the 10-foot by 10-foot area where electrical equipment would be located. There was some confusion about whether the association approved a 50-foot proposal or a 65-foot proposal.

There were questions about whether the applicant, Metro PCS, approached the Parks department, or vice versa. It was noted that rental revenue would benefit the Parks & Recreation Department, but questions arose about whether the use of those funds would be limited to the Sim Center and/or the community (Staff was asked to confirm). Other benefits of the tower would be stadium lighting for the adjacent ball field and improved cellular service for the immediate area.

Mr. Lenau made a motion—seconded by Mr. Vourakis—that recommends approval of the proposed tower on the condition that the revenues received benefit the immediate area and that the chain link “roof” be angled to allow baseballs to roll off that material if they land there. The motion was unanimously approved.

7. Redevelopment Updates

- a) Sim Center Expansion: Greg Ptucha noted that the contractual agreement between the Agency and the City was in draft form. He briefed the RAC on reports that the City's Department of General Services (DGS) plans to retain professional architectural services to review previous programming and schematics to help DGS decide on a traditional design/bid/build approach versus the design/build option. RAC members commented on this plan as being wasteful of time and money.
- b) Depot Park Window Replacement Project: Mr. Ptucha offered to brief the RAC on the particulars of this proposal, which would be funded with tax increment monies that were set-aside in the recent legal settlement with U.S. National Leasing, LLC. Given the lateness of the hour, and since the RAC was not being asked for a recommendation on the proposal, the consensus opinion was to forgo this update.
- c) Term Expirations/Application Deadline: RAC members were reminded that the deadline to submit applications to the City Clerk was the following day, April 28, 2006.

8. Adjournment

The meeting was adjourned at 8:10 PM after approval of a motion by Mr. Colquitt and a second by Mr. Lenau.

(Note: Ms. Slider offered to provide food/beverages for the May 18, 2006 meeting.)