

M I N U T E S

GARDEN GROVE NEIGHBORHOOD IMPROVEMENT AND
CONSERVATION COMMISSION (NICC)

REGULAR MEETING

COMMUNITY MEETING CENTER
11300 STANFORD AVENUE
GARDEN GROVE, CALIFORNIA

MONDAY
SEPTEMBER 10, 2012

CALL TO ORDER: A regular meeting of the NICC was called to order at 6:30 p.m. in the Council Chambers of the Community Meeting Center

PRESENT: COMMISSIONERS
FOSTER
FREER
POPE
RUBIN
ABSENT: HANNA, KILL

ALSO PRESENT: Monica Covarrubias, Senior Program Specialist; Jim Dellalonga, Finance Senior Project Manager; Judy Moore, Recording Secretary

PLEDGE OF ALLEGIANCE

Vice Chair Freer led the Pledge of Allegiance.

ORAL COMMUNICATIONS – PUBLIC

None.

Prior to the approval of the Minutes, Commissioners noted that an email containing information on Economic Development's Redevelopment fund had not been received. Staff explained that the email was probably too large and would be sent again.

APPROVAL OF MINUTES

Commissioner Rubin moved to approve the Minutes from the June 4, 2012 meeting, seconded by Commissioner Foster. The motion was carried with the following vote:

AYES: COMMISSIONERS: FOSTER, FREER, MILLER, POPE, RUBIN
NOES: COMMISSIONERS: NONE
ABSENT: COMMISSIONERS: HANNA, KILL
ABSTAIN: COMMISSIONERS: NONE

MATTERS FROM STAFF:

Item 3.a: Economic Development Presentation – The City of Garden Grove Finance Department presented an overview of the Redevelopment Dissolution that outlined and explained the Redevelopment Dissolution Act, the Clean-up legislation, EO-Enforceable Obligations, the types of tax entities involved, the role of the DOF-State Department of Finance, the ROPS-Recognized Obligation Payment Schedules that are to be prepared every six months, the RPTTF-Redevelopment Property Tax Trust Fund (formerly property tax increment), the SA-Successor Agency (formerly the Redevelopment Agency), the OB-Oversight Board (a body consisting of seven members charged with the “Oversight” of the Successor Agency), and a summary of the Dissolution Timeline, along with the current outlook.

Commissioner Rubin asked if the County dispersed the tax increments. Staff replied yes and that the County Auditor Controller also disperses the RPTTF escrow account.

Commissioner Rubin asked staff to explain the Successor Agency. Staff responded that Redevelopment had a \$25 million dollar budget to provide affordable housing and eliminate blight; that existing obligations needed to continue to be paid into the future; that the Successor Agency is a legislative body needed to conduct business and close the Redevelopment Agency; that any redevelopment stops due to non-existent funding; that an example would be the Hyatt Regency Orange County on Harbor Boulevard which has an assistance program and would be an enforceable obligation that needs to be paid until it’s done; that the funds would come from the property tax trust fund; and that instead of receiving all the money to be spent on new projects, the Agency would only be able to spend the funds on existing obligations.

Staff stated that the four income generator projects, ie., the Water Park Hotel, the Site B2 Hotel Project, the Site C Hotel Project, and the Brookhurst Triangle, were originally denied as obligations, but had been resubmitted and re-approved by the Oversight Board, and submitted to the Department of Finance; and, that the City hopefully would hear of the decision by Monday, September 17, 2012.

Commissioner Rubin asked what would happen if none of the projects were approved. Staff explained that one of the four projects might be singled-out to fight for or a different method of developing the projects would be considered. Also, the Water Park Hotel could not move forward on financing until the project was approved.

Vice Chair Freer asked if the City could be sued. Staff replied no, as the City would be a party with the developer suing the State or the developer would sue the State

on their own. Also, that the City was told verbally that three, perhaps four projects would be approved, however, the City must wait to hear.

Vice Chair Freer asked staff if the re-do of Chapman Avenue was considered 'redevelopment'? Staff responded that the re-do was a Public Works project to install a water main.

Commissioner Rubin asked if the City had any financial obligations to the projects. Staff replied no, not as the City with General Fund monies, but yes, as the Successor Agency; that spending money would help to make money with the Agency obligations.

Commissioner Miller asked staff what would be the result of being denied again? Staff stated that the projects might be restructured as 'City' projects rather than Agency projects.

Vice Chair Freer asked if the projects could be separated, that is, developing the Water Park Hotel first. Staff responded that the State goes by the law and that a hotel would have more of an impact to City revenue due to the City receiving 100 percent of the Transient Occupancy Tax, rather than the Brookhurst Triangle, which is a housing project.

Vice Chair Freer asked if the steel framing on Garden Grove Boulevard was a part of the Brookhurst Triangle. Staff replied no, that the project was initially the Galleria, a private project of which the lender stopped funding the construction loan.

Commissioner Foster questioned if any money was being lost on the Water Park Hotel project? Staff responded no, that some money was already spent and work had stopped, however, there was the anticipation of the project being approved as an enforceable obligation.

Commissioner Pope asked how soon the Water Park Hotel project would move forward if approved. Staff explained that the developers would have to go after the financing, but a possibility for construction would be late Spring.

Item 3.b: 2012-12 Consolidated Annual Performance and Evaluation Report Review (CAPER) – Staff read a brief description of the CAPER, a report required by the U.S. Department of Housing and Urban Development (HUD). The CAPER explains how the City carried out its housing and community development strategies, project, and activities during the fiscal year July 1, 2011 through June 30, 2012. It also provides narrative information that describes how each activity addresses the objectives specified in the City's 2010-2015 Consolidated Plan and FY 2010-2015 Consolidated Submission for Community Planning and Development Programs Annual Update (Action Plan).

Vice Chair Freer asked staff who is in charge of the housing rehabilitation since Redevelopment does not exist. Staff replied that rehabilitation was completed

through the Neighborhood Improvement Division; that property rehabilitation was contracted out with a nonprofit developer, however, some developers were for profit; that HUD was not affected directly, however, some projects had multiple funds involved; that an example would be the Tamerlane project which used joint funds from HOME and the Redevelopment Agency; and, that future joint projects would be more difficult as there would be less funding for rehabilitation.

Commissioner Rubin asked if Buena Clinton was a part of the rehabilitation. Staff replied yes, in conjunction with a nonprofit developer, 104 affordable units now had covenants and were inspected annually to remain up to code.

Vice Chair Freer opened the public hearing to receive testimony in favor of or in opposition to the request.

There being no further comments, the public portion of the hearing was closed and the FY 2011-12 Consolidated Annual Performance and Evaluation Reporting (CAPER) was recommended to be transmitted to City Council.

AYES: COMMISSIONERS: FOSTER, FREER, MILLER, POPE, RUBIN
NOES: COMMISSIONERS: NONE
ABSENT: COMMISSIONERS: HANNA, KILL
ABSTAIN: COMMISSIONERS: NONE

Staff also briefed the Commissioners on an upcoming joint Study Session with the Planning Commission and consultants on the topic of the Housing Element. The date and time would be announced at a later date.

MATTERS FROM COMMISSIONERS

None.

ADJOURNMENT

The meeting was adjourned at 7:15 p.m.

JUDY MOORE
Recording Secretary