

**ALL CELL PHONES AND ELECTRONIC DEVICES MUST BE
TURNED OFF IN THE COUNCIL CHAMBERS**

**A G E N D A
REEDLEY REDEVELOPMENT AGENCY MEETING**

7:00 P.M.

(RDA Meeting is typically convened after the City Council Meeting is adjourned)

TUESDAY, JUNE 8, 2010

**Meeting Held at Council Chambers,
845 "G" Street, Reedley, California**

The Council Chambers are accessible to the physically disabled. Requests for additional accommodations for the disabled, including auxiliary aids or services, should be made one week prior to the meeting by contacting the City Clerk at 637-4200 ext. 300.

Any document that is a public record and provided to a majority of the City Council regarding an open session item on the agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such documents may be posted on the City's website.

City of Reedley's Internet Address is www.reedley.com

Mary L. Fast, Board Chairman

Pete Chavez, Vice Chairman
Ray Soleno, Board Member

Steven Rapada, Board Member
Anita Betancourt, Board Member

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT - *Provides an opportunity for members of the public to address the RDA Board on items of interest to the public within the Board's jurisdiction and which are not already on the agenda this evening. It is the policy of the RDA Board not to answer questions impromptu. Concerns or complaints will be referred to the Executive Director's office. Speakers should limit their comments to not more than three (3) minutes. No more than ten (10) minutes per issue will be allowed. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the RDA Board as each item is brought up for discussion.*

NOTICE TO PUBLIC

*Under a **CONSENT AGENDA** category, a recommended course of action for each item is made. Any Board member may remove any item from the **CONSENT AGENDA** in order to discuss and/or change the recommended course of action, and the Board can approve the remainder of the **CONSENT AGENDA**.*

CONSENT AGENDA

1. MINUTES OF REDEVELOPMENT AGENCY MEETING OF MAY 25, 2010 – Recommend Board receive and file.

BOARD REPORTS

2. REQUESTS BY BOARD MEMBERS FOR FUTURE AGENDA ITEMS AND/OR REPORTS OF BOARD MEMBER ACTIVITIES.

STAFF REPORTS

3. UPDATES OR REPORTS BY EXECUTIVE DIRECTOR AND/OR STAFF MEMBERS

CLOSED SESSION

4. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 1800 – 8th Street, Reedley – APN 368-010-34T
Negotiating Parties: Vern Warkentin (Wolters Compay); Rocky Rogers (RDA)
Under Negotiation: Price and Terms

5. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 1500 “I” Street, Reedley – APN 368-370-61S – Bret’s Ford
Negotiating Party: Rocky Rogers (RDA)

ADJOURNMENT

REEDLEY REDEVELOPMENT AGENCY BOARD MEETING – May 25, 2010

The meeting of the Reedley Redevelopment Agency Board of Directors was called to order by Chairman Fast at 8:35 p.m. on Tuesday, May 25, 2010, in the Reedley City Hall Council Chambers, 845 "G" Street, Reedley, California.

ROLL CALL

Board of Directors

Present: Steven Rapada, Ray Soleno, Anita Betancourt, Pete Chavez, Mary Fast.

Absent: None.

RDA Staff

Present: Rocky Rogers, Executive Director; Scott Cross, RDA Counsel; Lori Oken, Finance Director; Steve Wright, Police Chief; Joel Glick, Community Services Director; Jerry Isaak, Fire Chief; Noe Martinez, City Engineer; David Brletic, City Planner; Russ Robertson, Public Works Manager; and Kay L. Pierce, Executive Secretary.

Others

Present: Julia Martinez, Msgr. John Esquivel, Jim McGahan, Fred Hall, Cheryl Lingo and others.

CONSENT AGENDA

Board Member Rapada moved, Board Member Soleno seconded to accept, approve and adopt all items listed under the **CONSENT AGENDA** as follows:

1. MINUTES OF REDEVELOPMENT AGENCY MEETING OF MAY 25, 2010 – Council received and filed.
2. RDA RESOLUTION NO. 2010-141 – A RESOLUTION AUTHORIZING A LOAN FROM THE LOW AND MODERATE INCOME HOUSING FUND TO PROVIDE FUNDS SUFFICIENT TO MAKE THE AGENCY SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND ("SERAF") PAYMENT AS REQUIRED BY ASSEMBLY BILL 26

Motion unanimously **carried**.

NEW BUSINESS

3. REEDLEY FAMILY APARTMENTS OWNER PARTICIPATION AND LOAN AGREEMENT

Executive Director Rogers advised that staff recommends that the Board give authorization for the Executive Director to enter into an owner participation and loan agreement for the amount of \$750,000 with Corporation for Better Housing. There have been several months of discussions regarding the Reedley Family Apartments. The loan request in the amount of \$750,000 is what is needed in order to move forward to begin building this project to finish it. Numerous agencies throughout the State utilized their Low to Mod income for projects similar to this. The disbursement of the loan would not take place until a certificate of completion has been provided and issued on the project which, if approved, would take place in late 2011 or early 2012. The project will be built and occupied before the loan is presented to CBH to make up the difference in making these apartments affordable. The law requires that whenever money from the Low and Moderate Housing Fund is used to support the development of low and moderate income rental housing, the property owner must agree to limit the occupancy of the units to income-qualified persons for 55 years. The owners of the Reedley Family Apartments have agreed to this restriction and an enforceable covenant will be recorded as a part of the funding. All documents

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are attached to the staff report for Council's review. The Board asked that the owner provide reputable management of the apartments and site due to some requests of the surrounding homeowners. It was also asked that the owners post current contact information on the exterior of the entrances to the complex and that actual persons should be available at all times to receive any complaints. This contact information shall also be provided to the police department. The owners will also be requested to host open tenant neighborhood meetings quarterly to address any issues and that problems be addressed within 48-hours or identified course of action be relayed to the City Manager if the problem cannot be completed within a certain time frame. It will also be required that all vehicles have a valid registration and be operable at all times. Reedley's City Attorneys have been reviewing these documents through all phases. The Regulatory Agreement and Declaration of Restrictive Covenants, Exhibit "B", are the additional management obligations that came out of the meetings and that Board Members requested. The Owner Participation and Loan Agreement has been reviewed and has been modified several times to make sure that it was correct and met State law along with meeting the conditions that the Board and neighbors discussed regarding how the money is to be used. Staff is asking that the Board approve the recommendation authorizing the loan and Owner Participation Agreement in the amount of \$750,000.

Board Member Soleno referred to the tax credit funding which means that loan payments will be due in every year in which the income generated from operating the project exceeds the expenses for the project and in those years in which there is no such residual receipts, no payment is due. He asked what will happen if the complex does not generate funds? Executive Director Rogers advised there could be some years that they do not have enough residual receipts to make the loan payment. However, at the end of 55 years, the loan will be due and payable.

Board Member Rapada advised having a problem with this item. Every business has to pay their bills and if they take out a loan, they have to make their loan payments. Is this based on the rent versus what the costs are or does this include the tax increment money they are going to get as well? If they get their tax credit money every year, they will have a profit. But if this only includes the rents, then every year Mr. Lingo will tell us that he is taking a loss and nothing will be paid back to this city and we will not see it until the end of the 55 years and who knows what will happen in 55 years. Does it have to be written this way?

Executive Director Rogers advised that is how the agreements are structured for these types of housing projects. Board Member Rapada asked if Mr. Lingo's proceeds include the tax credit dollars that he will receive towards telling the city whether or not he is exceeding his operating expenses with his revenue? Executive Director Rogers advised he cannot definitely answer that question, but it is a fact that Mr. Lingo is required to provide reporting on this so the city knows what his residual receipts are each year.

City Planner Brletic referred to the Owner Participation and Loan Agreement, Exhibit "B" Approved Development Budget, which shows the tax credit is additional development costs. The tax credit is invested at the construction phase along with the \$750,000 from the Redevelopment Agency loan, permanent project loan that CBH is getting for \$2.1 million, an AHP grant, deferred developer fees, which is not a deferred developer impact fee, but a deferred developer fee which is effectively their profit. What they are saying is that they are reducing their reasonable or acceptable profit percentage by \$540,769 and are getting tax credit investment of \$9.4 million and those other listed numbers in Exhibit "B". The tax credit is not experienced through an annual basis, but rather an investment when the project is built. Their operating expenses versus their rent is what is going to be used to calculate whether or not they are going to be paying any residual receipts.

Council Member Rapada advised that the city will not see the money until 55 years.

Board Member Betancourt moved, Board Member Chavez seconded to approve the REEDLEY FAMILY APARTMENTS OWNER PARTICIPATION AND LOAN AGREEMENT.

Board Member Rapada referred to Item No. 2 regarding the SERAF payment, and asked Finance Director Oken if there is enough money in the Redevelopment fund to cover both payments and

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how much money will be left in the fund. Finance Director Oken advised there is enough money to cover both payments leaving a balance in excess of \$250,000 in the Low to Moderate Income fund. Executive Director Rogers advised that the money to SERAF has not yet been requested and the Resolution approved by the Board at this meeting is just in case the money is needed to pay the loan to the State of \$630,000. This is an option and staff wanted to make this option available in case it was needed.

Motion **carried** as follows:

AYES: Betancourt, Chavez, Soleno, Fast.
 NOES: Rapada.
 ABSTAIN: None.
 ABSENT: None.

BOARD REPORTS - None.

STAFF REPORTS

City Planner Brletic:

- Advised he just returned from the ICSC retail real estate conference which he attended with two Chamber Members, Valerie Pieroni and Pete Penner and two Downtown Association Members, Lisa Adams and Barbie Shakespeare. This is the first time Reedley has sent anyone and we are building off of what we are doing with the Buxton analysis. While this analysis is not complete, we are already getting a lot of solid preliminary information back and actually getting a retail match statement from Buxton. Based on the retail matches, staff attempted to target retailers that could fit with Reedley. City Planner Brletic made contact with over two dozen retailers and restaurants. One fast food franchise actually visited Reedley between last week and the meeting at the conference yesterday as they are looking for new sites. Staff is making a commitment to doing what is necessary to let retailers know Reedley is open for business. City Planner Brletic is very optimistic about the experiences at the ICSC conference and there is much follow-up work to be done. There are not only fast food restaurants interested in Reedley, but also retailers. Many people approached at the conference already know where Reedley is located and have been looking around our town. Staff needs to continue with contact with these interested businesses and get them any information they might need to help them make a positive decision. City Planner Brletic advised the Chamber of Commerce has a certain role, the Downtown Association has another role and Community Development has its particular role. He distributed a copy of the flyer which was passed out to those retailers at the conference. Staff needs to make contact with those retailers that we feel will fit our community and convincing them that not only do we want them, but they want Reedley as well.

Board Member Soleno advised that when the economy turns around, the RDA should start land-banking property so that the city will not have to deal with individuals and business owners. Can this be done through the Redevelopment Agency? City Planner Brletic advised this could be an option and the Redevelopment Agency does own a few pieces of property. Board Member Soleno reiterated stating this is something the RDA should give more thought to since once the property is owned by the RDA, it will be easier to deal with new prospective businesses. City Planner Brletic advised that the RDA can partner with property owners to get their property ready since developers do not want to work with the city, but would prefer to work with one property owner. What the developer wants from the city is to be at the table and know exactly what the city is expecting from the developer when they get to build their project. Unfortunately, this has not been the climate in the past. The city's role is to be alongside the property owner with a clear message to the developer and ultimate retailer of what will be expected by the city of Reedley and what support the city can give to the developer and the process they will have to go through. If staff can pin this down so the developer knows what they will be dealing with in Reedley, that is as good as it gets. The City of Dinuba has worked through their master planning and installing infrastructure through their Redevelopment Agency and that is the model that Reedley is trying to mimic. There are

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property owners in Reedley that hold large pieces of property and those are the people that staff needs to talk to so that any developer coming into town to develop a piece of property specifically for a retailer or certain use, knows who the property owner is and already knows that the property owner and city are working together to make sure that the infrastructure will be installed in a timely manner. The developer can then make a decision on whether or not that is the desired location.

Board Member Rapada advised that Dinuba did not own the property, but spent the dollars to install the infrastructure ahead of time and that is what Reedley needs to look at, to take some of the properties already identified as possible sites for different retailers and physically install the infrastructure so that property is ready, similar to what was done with the Industrial Park.

CLOSED SESSION

Chairman Fast adjourned the Redevelopment meeting for a short recess at 9:02 p.m. Chairman Fast reconvened the Board meeting at 9:05 p.m. and went into CLOSED SESSION.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

6. Property: 1800 – 8th Street, Reedley APN 368-010-34T
 Negotiating Parties: Vern Warkentin (Wolters Company); Rocky Rogers (RDA)
 Under Negotiation: Price and Terms
7. Property: 1500 “I” Street, Reedley – APN 368-370-61S – Bret’s Ford
 Negotiating Party: Rocky Rogers (RDA)

Executive Director Rogers announced that no action was taken in CLOSED SESSION which was required to be announced.

ADJOURNMENT

Chairman Fast adjourned the RDA Board meeting at 9:35 p.m.

Mary L. Fast, Chairman

ATTEST:

Kay L. Pierce, RDA Secretary