

RCC 1
06/26/07
RSL

**LANCASTER REDEVELOPMENT AGENCY
REGULAR MEETING
MINUTES
June 12, 2007**

CALL TO ORDER	Chairman Hearn called the meeting to order at 6:02 p.m.
ROLL CALL	<p>Present: Agency Directors: Jeffra, Sileo, Smith, Vice-Chairman Visokey, Chairman Hearn</p> <p>Absent: None</p> <p>Staff Members: Executive Director, Assistant Executive Directors, Agency Counsel, Agency Secretary, Principal Planner, Public Works Director, Parks, Recreation & Arts Director, Finance Director, Economic Development Director, Housing Director, Human Resources Analyst</p>
INVOCATION	Pastor Juan Higuera – Live Again Ministries
PLEDGE OF ALLEGIANCE	Agency Director Jim Jeffra
PRESENTATIONS	Vice Chairman Visokey presented Certificates of Achievement to Ryan Butts of Antelope Valley High School and Taveon Burke of Lancaster High School for qualifying in the State Track and Field Championships in the event of the long jump.
AGENDA ITEMS TO BE REMOVED	None
APPROVAL OF CONSENT CALENDAR	Vice Chairman Visokey requested that RCC 2 be pulled for discussion. On a motion by Agency Director Sileo and seconded by Agency Director Jeffra, the Redevelopment Agency approved the Consent Calendar items RCC 1 and RCC 3, by the following vote: 5-0-0-0; AYES: Jeffra, Sileo, Smith, Visokey, Hearn; NOES: None; ABSTAIN: None; ABSENT: None
RCC 1. MINUTES	Approved the Regular meeting minutes of May 22, 2007.

**RCC 2.
POLICIES AND
PROCEDURES FOR
THE RENTAL
IMPROVEMENT
PROGRAMS**

The Housing Director presented a brief report regarding the Policies and Procedures for the Rental Improvement Programs. She explained the eligibility requirements and the terms of the program. The Rental Improvement Programs are designed to assist owners of rental properties in good condition with financial assistance to meet the requirements of the Rental Housing Inspection Program. In addition, the Rental Improvement Program will assist in providing safe, sanitary and healthy living conditions for the workforce of Lancaster. The Rental Improvement Programs are neighborhood revitalization programs that eliminate, deter and prevent blight in the primary and secondary neighborhoods and neighborhoods of interest and concern throughout the City of Lancaster, a goal approved by the Agency Board.

Vice Chairman Visokey agrees with the goals of the program but had some concerns as to whether this is the best way to meet the goals. He was concerned that the City has rental property owners that are being irresponsible and are being rewarded for their irresponsibility by being able to get a low interest loan and the responsible rental property owners are unable to get if they want to make improvements.

The Housing Director explained that the rental property owners that can participate in the program are not the irresponsible owners. Those property owners will be taken care of through the rental inspection program. This work is for exterior only, possibly sidewalk, paint stripping, minor repair work. This program will not benefit the irresponsible property owners.

Vice Chairman Visokey inquired as to what would happen if the property that is in question is inspected with code violations, what then would be the responsibility of the landlord under the standard rental inspection program as far as fixing up that property. Also, if they do not get the loan, what would be the requirement?

The Housing Director stated that the landlord would be required to fix up the property. The City cannot take property away from an owner if they do not bring the property up to compliance. This program is not a subsidy, it is a lower interest rate loan and it is not for those types of property owners. This program is to benefit the community and the tenants. It is not a program to benefit the landlords. There are severe penalties if the landlord does not maintain the property.

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Vice Chairman Visokey stated that he is still concerned that government is bailing irresponsible people out of what is a responsible thing for people to do as American citizens. He inquired as to other alternatives to reach the goals.

The Housing Director explained that the rental properties are interspersed in neighborhoods where there are property owners. She explained that staff will try to counsel the owners to get equity lines or market rate seconds, whatever is possible for them.

Vice Chairman Visokey stated that he still had concerns regarding the fact that certain rental property owners would be able to get loans that others are not able to obtain.

The Housing Director explained that the loan comes from the Redevelopment Agency and it will be paid back and the Agency will reuse those funds.

The Executive Director explained that by doing nothing, nothing will change. The Agency could just give them the money, but that is not appropriate; the Agency could create a program using the Agency's money, but this is not sensible; the Agency can adopt more stringent standards of appearance in the neighborhoods, then pay for additional enforcement to seek compliance and enforcement as opposed to a program that tries to incentivize individuals to do the right thing. If the City is going to improve the neighborhoods for the overall community, then the City needs to utilize all the tools possible in tandem with other programs and incentives. This will not be a handout, it will be an investment in the neighborhoods that will enhance the values of the surrounding properties and this is a win-win for everyone, not just that particular property owner or the tenant. This funding has a much more far reaching effect, there is interest on the money, the money is reinvested in neighborhoods and over time there will be a more positive effect on quality, character and value of property in the community and livability in the neighborhoods and the benefits far out weigh the disadvantages.

Vice Chairman Visokey stated that the City has been enhancing the code enforcement program over the last few years with the intent of increasing the ability to go to these run down residences and write the code enforcement violations. There doesn't seem to be anything within that program alone by writing violations to remedy the situation. Is this correct?

The Executive Director stated that it is a matter of incremental change. The City has gone from virtually nothing in the way of controls and enforcement to progressive incremental changes.

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The Executive Director explained that code enforcement is to seek compliance and then finally imposing compliance is something the City will continue to do. This is a fairly inexpensive way to achieve compliance without having to spend a lot more money on hiring more code enforcement officers. This money is restricted by the state, so attacking the problem from multiple angles will be the best approach and the pay off will be far greater than just a discounted interest rate for one individual.

Agency Director Smith stated that he agrees with Vice Chairman Visokey on the nature of the concerns, he stated that he is looking at the ultimate goal and what the City wants to accomplish. This is money that must be used toward low or moderate income housing so having this program in place is of great value. The ultimate goal is redeveloping the neighborhoods, achieving that balance and since the money must be spent any way, and the Agency will recoup the money, this is a good program.

Agency Counsel stated that the Agency does not have the authority to condemn properties. Most of the residential areas, the Agency does not have the power of eminent domain.

The Executive Director explained that this is not about properties that are in a state of dilapidation, those get red tagged and become health and safety nuisances and get boarded up. These are not properties that have reached that level of decay. When these dollars are spent on improvements, the value of those properties go up and the City gets more tax money and the assessed value of the neighborhood goes up and the surrounding properties increase in value and everyone benefits. For a very small investment, the City can have a fairly substantial impact on value to everyone else and they benefit as well.

Vice Chairman Visokey inquired as to whether this program replaced the requirement for more low and moderate income housing.

The Executive Director explained that it does not replace the requirement. The Agency has a 20% set-aside that must be used to better existing housing and also to create low and moderate housing.

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Agency Counsel explained that there are two statutory requirements. The first is that the Agency set aside and spend 20% of the tax increment on producing or preserving low and moderate income housing. The second requirement is that 15% of all newly constructed or substantially rehabilitated properties within the project areas must be set aside for low and moderate income families with long term affordability covenants. This program does not satisfy the latter requirement but it does satisfy the former requirement. There is a requirement that the Agency spend almost all of the housing fund money within a certain period of time and if more than a 5 year amount is accumulated, then it becomes an excess expenditure amount, there are a lot of restrictions and if it goes beyond a certain amount of time there could even be a penalty of not being able to do any economic development without having to comply first with all of the housing requirements including the production requirements.

Agency Director Jeffra inquired as to whether these particular people who have applied for the loans have been screened and that they do not qualify for loans outside of this particular venue.

The Housing Director was in agreement with this statement and stated that the funding will be approved in the budget. A request for Qualifications for contractors has been an ongoing advertisement; if it is approved, then the Agency will have the policies and procedures, a brochure will be created for the programs. Those people that are in the primary neighborhoods, then the secondary neighborhoods, neighborhoods of interest and concern get priority. The program is based on participation and the Agency may find out that none of the property owners want to participate in the program. Staff will report back to the Agency on an ongoing basis to give updates.

Agency Director Sileo stated that when the City spends money without getting something back, then the City is subsidizing something. This program will give a return on the investment. If there is a neighbor in a neighborhood who is not complying with the neighborhood, then these citizens are looking at the City to spend money to make it right. Housing dollars are in abundance; it can be looked at as a subsidy, but he is willing to make that trade-off because if he lives in a neighborhood, he wants to see the City do whatever it takes to make that building right. These are housing dollars that must be spent or the City could lose the other 80%.

<p>RCC 2. POLICIES AND PROCEDURES FOR THE RENTAL IMPROVEMENT PROGRAMS (continued)</p>	<p>Agency Director stated that the bottom line is that the Agency can move forward with this program, expect to see results, enhancement of the neighborhoods, property values increasing or the City continues to write code enforcement violations.</p> <p>Agency Director Jeffra inquired as to bench mark dates in order to report back on results.</p> <p>The Housing Director agreed that this will be done and further stated that code enforcement has already prosecuted four rental property owners and has put one in jail. They will continue to do their duty in terms of making the rental property owners comply.</p> <p>On a motion by Agency Director Sileo and seconded by Agency Director Jeffra, the Redevelopment Agency approved the Policies and Procedures for the Rental Improvement Programs and directed staff to implement and administer these programs, by the following vote: 5-0-0-0; AYES: Jeffra, Sileo, Smith, Visokey, Hearn; NOES: None; ABSTAIN: None; ABSENT: None</p>
<p>RCC 3. SECOND AMENDMENT TO DDA FOR SALE OF REAL PROPERTY WITH SOUTHERN ROAD HOUSE</p>	<p>Approved the second amendment to the Disposition and Development Agreement for the Sale of Real Property by and between the Lancaster Redevelopment Agency and Southern Road House LLC (APN: 3153-067-900) and authorized the Executive Director or his designee to execute all attendant documents related to the second amendment.</p>
<p>RNB 1. DEVELOPING A 21ST CENTURY WORKFORCE – WORKFORCE INITIATIVES</p>	<p>The Economic Development Director presented the staff report regarding: Developing a 21st Century Workforce: Workforce Initiatives for the City of Lancaster. The presentation included an overview of creating quality; Teachers of Tomorrow Initiative; Ethics Initiative; the Ladder Initiative (Lancaster Apprentice Development and Deployment for Economic Revitalization); AV Jaycees Initiative – creating new networking opportunities for Generations X and Y; hiring Dr. Gocke of J4 Productions as the workforce consultant.</p> <p>Agency Director Jeffra stated that the selection of Dr. Gocke is excellent and he is certainly the right fit. This partnership is the right combination for success.</p>

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<p>RNB 1. DEVELOPING A 21ST CENTURY WORKFORCE – WORKFORCE INITIATIVES (continued)</p>	<p>Vice Chairman Visokey stated that Dr. Gocke is the right person for this project. He will do a fabulous job and this is on the right track. It will be good to get the private sector involved in this and believes it will be very successful.</p> <p>Agency Director Sileo stated that sometimes there is not the level of expertise or excess labor to do these kinds of projects and that is when the City reaches out to consultants or experts to get the job done. In this case it is crucial to have someone who knows the local educational establishment and has a relationship with them and the business community. Dr. Gocke will do an excellent job of setting up these programs.</p> <p>Chairman Hearn stated that Dr. Gocke cares for all students and he is always ready to help and does so with passion.</p> <p>On a motion by Chairman Hearn and seconded by Agency Director Jeffra, the Redevelopment Agency approved the proposed Workforce Development programs, by the following vote: 5-0-0-0; AYES: Jeffra, Sileo, Smith, Visokey, Hearn; NOES: None; ABSTAIN: None; ABSENT: None</p>
<p>JPH 1. FISCAL YEAR 2007/2008 BUDGET</p>	<p>The Joint Public Hearing regarding the Proposed Fiscal Year 2007/2008 Budget was heard during the Joint City Council/ Redevelopment Agency portion of the meeting.</p>
<p>EXECUTIVE DIRECTOR ANNOUNCEMENTS</p>	<p>None</p>
<p>AGENCY SECRETARY ANNOUNCEMENT</p>	<p>The Agency Secretary provided the public with the procedure to address the Redevelopment Agency regarding non-agendized items.</p>
<p>PUBLIC BUSINESS NON-AGENDIZED</p>	<p>None</p>
<p>AGENCY COMMENTS</p>	<p>None</p>
<p>CLOSED SESSION</p>	<p>None</p>

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ADJOURNMENT

There being no further business, Chairman Hearn's adjourned the meeting at 8:30 p.m. and announced the next regular meeting of the Redevelopment Agency would be held on June 26, 2007 at 6:00 p.m.

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
Agency Secretary
Lancaster Redevelopment Agency

HENRY W. HEARNS
Chairman
Lancaster Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

**CERTIFICATION OF MINUTES
REDEVELOPMENT AGENCY**

I, _____, _____ of the Lancaster Redevelopment Agency, Lancaster California, do hereby certify that this is a true and correct copy of the original Redevelopment Agency Minutes for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE LANCASTER REDEVELOPMENT AGENCY, on this _____ day of _____, _____.

(seal)
