

REDDING REDEVELOPMENT AGENCY
 Regular Meeting, 5:15 p.m.
 Monday, November 15, 2004
 City Council Chambers
 777 Cypress Avenue
 Redding, California

MINUTES

Chair Stegall called the Regular Meeting to order at 5:35 p.m. with the following Agency Members present: Kight, Mathena, and Pohlmeier. Agency Member Cibula was absent.

Also present were Assistant City Manager Starman, Interim City Attorney Frediani, Senior Redevelopment Project Coordinator Thompson, Associate Redevelopment Project Coordinator Dent, and Office Services Supervisor Rudolph.

CONSENT CALENDAR

First Amendments to Property Owner Participant Agreements/Contracts for Sale - Downtown Redding Mall Air-Conditioning Equipment

(R-030-145-350)

It was recommended that the Board approve the First Amendments to the Property Owner Participant Agreements/Contracts for Sale between the Agency and the affected property owners at the north end of the Downtown Redding Mall and authorize the Chair to execute said amendments.

October 2004 Cash Report

(R-030-075)

It was recommended that the October 2004 Cash Report showing total available cash of \$31,391,380.00 be accepted as presented.

MOTION: Made by Agency Member Pohlmeier, seconded by Agency Member Mathena, to approve the foregoing items on the Consent Calendar as recommended. The Vote: Unanimous Ayes

PUBLIC HEARING - PROPOSED FIVE-YEAR IMPLEMENTATION PLAN FOR THE CANBY-HILLTOP-CYPRESS REDEVELOPMENT PROJECT AREA AND THE TEN-YEAR HOUSING PRODUCTION PLAN

(R-030-050-125)

The hour of 7:00 p.m. having arrived, Chair Stegall opened the public hearing regarding the proposed Five-Year Implementation Plan for the Canby-Hilltop-Cypress Redevelopment Project Area and the Ten-Year Housing Production Plan.

The following documents are on file in the Office of the Redevelopment Agency:

Affidavit of Publication - Notice of Public Hearing

Mr Starman advised that no comments had been received to date.

Assistant City Manager Starman provided an overview of the Report to Redevelopment Agency dated November 4, 2004, incorporated herein by reference. Mr. Starman noted that California Health and Safety Code Section 33490 states that redevelopment agencies must adopt five-year implementation plans for each active project area. The primary purpose of the implementation plans is to provide documentation linking the elimination of blight with the proposed activities in the project area. The Agency, in preparing its implementation plans, is also required to prepare and adopt a housing production plan that ensures that the Agency's replacement and production housing obligations are being met every ten years.

Mr. Starman stated that the Implementation Plan for the Canby-Hilltop-Cypress Redevelopment Project Area covers the period from 2005 through 2009. He indicated that no new projects or programs are being proposed in the Plan. The requirements for the Housing Production Plan mirror

the majority of the requirements for the housing component of the Implementation Plan, except the Housing Production Plan covers a longer period of time, from 2005 through 2014. Therefore, the Housing Production Plan and the housing component of the Implementation Plan have been combined in order to avoid repetitive reporting of the same information.

At the close of the public hearing, it was the recommendation of staff that the Agency adopt the necessary resolution approving and adopting the Housing Production Plan and the Implementation Plan for the Canby-Hilltop-Cypress Redevelopment Project Area.

Chair Stegall noted that there was no one present wishing to speak on the matter and closed the public hearing.

MOTION: Made by Agency Member Pohlmeyer, seconded by Agency Member Kight, to adopt Resolution No. 2004-10, a resolution of the Redding Redevelopment Agency adopting a five-year Implementation Plan, with a ten-year Housing Production Plan, for the Canby-Hilltop-Cypress Project Area.

Voting was as follows:

Ayes:	Agency Members:	Kight, Mathena, Pohlmeyer, and Stegall
Noes:	Agency Members:	None
Abstain:	Agency Members:	None
Absent:	Agency Members:	Cibula

Resolution No. 2004-10 is on file in the office of the Redevelopment Agency.

PUBLIC HEARING - PROPOSED FIVE-YEAR IMPLEMENTATION PLAN FOR THE MARKET STREET REDEVELOPMENT PROJECT AREA AND THE TEN-YEAR HOUSING PRODUCTION PLAN

(R-030-050-125)

The hour of 7:00 p.m. having arrived, Chair Stegall opened the public hearing regarding the proposed Five-Year Implementation Plan for the Market Street Redevelopment Project Area and the Ten-Year Housing Production Plan.

The following documents are on file in the Office of the Redevelopment Agency:

Affidavit of Publication - Notice of Public Hearing

Mr Starman advised that no comments had been received to date.

Assistant City Manager Starman provided an overview of the Report to Redevelopment Agency dated November 4, 2004, incorporated herein by reference. Mr. Starman noted that California Health and Safety Code Section 33490 states that redevelopment agencies must adopt five-year implementation plans for each active project area. The primary purpose of the implementation plans is to provide documentation linking the elimination of blight with the proposed activities in the project area. The Agency, in preparing its implementation plans, is also required to prepare and adopt a housing production plan that ensures that the Agency's replacement and production housing obligations are being met every ten years.

Mr. Starman stated that the Implementation Plan for the Market Street Redevelopment Project Area covers the period from 2005 through 2009. He indicated that no new projects or programs are being proposed in the Plan. The requirements for the Housing Production Plan mirror the majority of the requirements for the housing component of the Implementation Plan, except the Housing Production Plan covers a longer period of time, from 2005 through 2014. Therefore, the Housing Production Plan and the housing component of the Implementation Plan have been combined in order to avoid repetitive reporting of the same information.

At the close of the public hearing, it was the recommendation of staff that the Agency adopt the necessary resolution approving and adopting the Housing Production Plan and the Implementation Plan for the Market Street Redevelopment Project Area.

Chair Stegall noted that there was no one present wishing to speak on the matter and closed the public hearing.

MOTION: Made by Agency Member Pohlmeier, seconded by Agency Member Kight, to adopt Resolution No. 2004-11, a resolution of the Redding Redevelopment Agency adopting a five-year Implementation Plan, with a ten-year Housing Production Plan, for the Market Street Project Area. Voting was as follows:

Ayes:	Agency Members:	Kight, Mathena, Pohlmeier, and Stegall
Noes:	Agency Members:	None
Abstain:	Agency Members:	None
Absent:	Agency Members:	Cibula

Resolution No. 2004-11 is on file in the office of the Redevelopment Agency.

CONSULTING AND PROFESSIONAL SERVICES AGREEMENT WITH TRILOGY ARCHITECTURE - DOWNTOWN MALL/SHASTA COLLEGE HEALTH SCIENCES CENTER PROJECT

(R-030-145-350)

Assistant City Manager Starman provided an overview of the Report to Redevelopment Agency dated November 8, 2004, incorporated herein by reference, regarding the proposed amendment to the Consulting and Professional Services Agreement between the Agency and Trilogy Architecture. He recalled that in January 2004, the Agency hired Trilogy Architecture to prepare final design documents and a cost estimate for the Downtown Mall/Shasta College Health Sciences Center Project (Project).

Mr. Starman stated that the consultant's fee is \$163,800, and the total budget for the Project is approximately \$1.35 million. The anticipated work includes removing the roof over Market Street adjacent to the planned Shasta College Health Sciences Center and reconstructing Market Street, between Tehama and Butte Streets, based on the Market Street and Yuba Street "demonstration block" design. It also includes improvements to the facades of those buildings that will be exposed to the weather when the roof is demolished, public restroom improvements, and construction of a new Mall entrance at the south edge of the improvements.

He recalled that in April 2004 the City Council authorized staff to work with Trilogy Architecture to explore the feasibility of removing the roof over the common area at the north end of the Downtown Mall and retaining most of the existing common area improvements in lieu of designing and building a public street adjacent to the new Shasta College Health Sciences Center. It was hoped that the alternative design would provide the City with a cost-effective solution for incrementally opening up the Mall while the City pursued funding for future street construction, and possibly allow the shifting of budget resources to remove the Mall roof over Butte Street.

Mr. Starman indicated that Trilogy Architecture has completed the preliminary plans and cost estimate for the alternative design. The base bid design calls for removing the roof over Market Street, north of Butte Street, as required in the agreement with the College, the Agency, and the City. The design also includes the installation of an extensive trench drain system in both Butte and Market Streets to handle storm water runoff on the concrete common area, removal of the loose bricks and replacement with concrete, and resurfacing of the concrete pedestrian areas to prevent slipping. Indoor plants would be exchanged for outdoor plants, and light fixtures would be upgraded on the concrete columns remaining in the center of the Market Street corridor. The concrete columns adjacent to the buildings that currently support the roof would be removed.

Mr. Starman explained that the estimated cost of this work, including the consultant's fee, is approximately \$1.25 million, which is slightly less than what has been allocated for the Project. Trilogy Architecture estimates that if the Butte Street roof is also removed, the Project cost will increase to approximately \$1.65 million based on the 60 percent complete plans and specifications. He stated that staff intended to bid the Project with the Butte Street roof removal as an additive alternate. Once bids are received, the Agency will have the option of awarding the larger project based on a clear understanding of the costs involved.

In order to determine the feasibility of the alternative "no street" design, Trilogy Architecture's original scope of work was modified resulting in additional design, engineering, and surveying work. In addition, the physical size of the project area increased significantly, additional facade work was included, and there was a significant increase in the number of meetings with City staff and property owners. Mr. Starman stated that an increase in the amount of compensation to address the increased

work was not unexpected, but until the design was approved by the City, it was virtually impossible to establish the level of the fee increase. The design has now been approved by the City and Trilogy Architecture has been able to quantify the fee increase and is requesting an additional \$45,000.

It is staff's opinion that the additional fee requested are justified. Therefore, it is recommendation of staff that the Board approve the First Amendment to the Consulting and Professional Services Agreement between the Agency and Trilogy Architecture in the amount of \$45,000 and authorize the Chair to execute said amendment.

Agency Member Mathena questioned whether the Market Street figures were still estimates. Mr. Starman responded that the figures are firm in the sense of the 60 percent design. However, until 90 percent design is achieved, the figures are still subject to change.

MOTION: Made by Agency Member Pohlmeier, seconded by Agency Member Mathena, to approve the First Amendment to the Consulting and Professional Services Agreement between the Agency and Trilogy Architecture in the amount of \$45,000 and authorize the Chair to execute said Amendment. The Vote: Unanimous Ayes

PARKVIEW NEIGHBORHOOD TRAFFIC STUDY

(R-030-145-010)

Assistant City Manager Starman provided an overview of the Report to Redevelopment Agency dated November 8, 2004, incorporated herein by reference, relative to the Parkview Neighborhood Traffic Study. He recalled that the Agency retained Willdan, a traffic engineering firm, to conduct the traffic study recommended in the Parkview Plan and prepare a comprehensive report that would make recommendations with the overall goal of promoting a healthy, aesthetically-pleasing, pedestrian-friendly environment, while at the same time meeting the traffic and circulation needs of the larger community.

Mr. Starman summarized that the resultant Parkview Neighborhood Revitalization Project Traffic Study (Traffic Study) recommends traffic calming measures be implemented on the Freebridge Street/Anita Street corridor consisting of education, enhanced police enforcement, and physical improvements which would initially consist of striping the sides of the street with the potential for installing speed humps. The estimated cost of traffic calming measures, which would include recommended traffic signal coordination on South Market Street and Cypress Avenue, is approximately \$150,000. In addition, the traffic study recommends extending Eastside Road via Mark Street and Favretto Avenue, primarily as a Neighborhood traffic calming measure. The estimated cost to extend Eastside Road is \$5.4 million, not including right-of-way acquisition or anticipated soil remediation. Finally, the study concurs with the Parkview Plan that Parkview Avenue should be reconfigured as a two-lane street with center medians and left turn pockets, diagonal parking on the south side of Parkview Avenue, and no parking on the north side of the street. The study also recommends the installation of a traffic signal at Parkview Avenue and South Market Street, a signal or traffic circle at Parkview Avenue and Park Marina Drive, and that Angelo Street be restricted to one-way northbound traffic only at State Street by means of a half-street closure. The estimated cost of the improvements is approximately \$3 million.

Mr. Starman noted that the Parkview Neighborhood Association (PNA) has been actively involved in the Traffic Study process. The PNA's chair, Bill Ulch, sat on the selection committee for the consultant contract. During the course of the study, Willdan met with the PNA members on three occasions, including a presentation of the Traffic Study to the Neighborhood on September 29, 2004. The PNA discussed the study at their regular monthly meeting on October 20, 2004, and submitted a letter dated October 25, 2004, incorporated herein by reference, outlining its position on the recommendations contained in the Traffic Study.

In addition to Neighborhood input, City staff reviewed and commented on the draft report. The Planning Commission accepted the Traffic Study for informational purposes on October 26, 2004. The Traffic Study is a planning document and, therefore, exempt from environmental review pursuant to the California Environmental Quality Act [Section 15061(b)(3) - General Rule Exemptions].

It was the recommendation of staff that the Agency accept the Parkview Neighborhood Revitalization Project Traffic Study. It was further recommended that the Board direct staff to review the specific recommendations contained in the report as part of the next budget development cycle, which will begin later this fiscal year.

Agency Member Mathena noted that there was considerable traffic which used Parkview Avenue to access Park Marina Drive, Highway 44, and Hilltop Drive. He opined that if Parkview Avenue is reduced to two-lanes, it will become dangerous for people leaving the Parkview area. He objected to the expense and questioned the need to reduce the number of lanes. He did not oppose the installation of a traffic signal and questioned whether there was sufficient room for a traffic circle.

Mr. Starman replied that a traffic circle will need to be engineered. He acknowledged the points raised by Agency Member Mathena, and explained that it is Willdan's desire is to make the Neighborhood more pedestrian-friendly and receptive to pedestrian activities. He noted that the current traffic counts on Parkview Avenue and those projected in the future do not warrant the four lanes.

Agency Member Pohlmeier opined that it was pointless to discuss the study's recommendations further this evening and pointed out that this was a planning and feasibility document to be used when considering future traffic improvements.

Bill Ulch, Chair of the Parkview Neighborhood Committee, expressed the Neighborhood's appreciation of the benefits redevelopment has brought to the Neighborhood. He explained that the Neighborhood works hard to support the City's efforts and has gained a greater understanding of City government. He stressed that traffic is a major problem in the Neighborhood. He requested that the Agency grant some consideration during the upcoming budget preparation to relieve traffic problems in the Neighborhood. He noted that the Neighborhood supports the reduction of Parkview Avenue to two lanes as it allows the area to become more pedestrian and bicycle friendly. They also support the landscaped medians and decorative lighting.

MOTION: Made by Agency Member Pohlmeier, seconded by Agency Member Kight, to accept the Parkview Neighborhood Revitalization Traffic Study as presented and direct staff to review the specific recommendations contained in the report as a part of the next budget development cycle.
The Vote: Unanimous Ayes

HABITAT FOR HUMANITY SHASTA CASCADE - DISPOSITION AND DEVELOPMENT AGREEMENT FOR A RESIDENTIAL HOUSING IN-FILL PROJECT LOCATED AT 1900 HENRY AVENUE AND 3300 - 3418 WEST STREET
(R-030-100-033 & C-070-200)

Assistant City Manager Starman provided an overview of the Report to City Council and Redding Redevelopment Agency dated November 8, 2004, incorporated herein by reference, concerning the proposed Disposition and Development Agreement (DDA) with Habitat for Humanity Shasta Cascade (Habitat). He stated that one of the goals of the Martin Luther King, Jr. Neighborhood Revitalization Plan (Plan) is to increase affordable homeownership opportunities in the Neighborhood. An equally important goal of the Plan is to facilitate and encourage new development on the existing vacant in-fill lots in the Neighborhood. In support of these goals, a Project Notice was distributed to a number of housing developers in June 2004 to determine their interest in partnering with the City to develop new single-family homes on four City-owned in-fill lots located at 3300, 3304, and 3418 West Street and 1900 Henry Avenue. In July 2004, a Request for Qualifications (RFQ) was circulated to the four entities that expressed an interest in the project. Following interviews and an evaluation of the proposals, Habitat was selected as the project developer. At its meeting on September 21, 2004, the City Council authorized staff to negotiate the terms of a DDA with Habitat.

Mr. Starman summarized that under the DDA, both the City and the Agency will provide financial assistance to the developer. The City's contribution to the project is the land, valued at \$135,054. The Agency will provide monetary assistance to the project in an amount not to exceed \$300,000. The Agency's funding will primarily assist with building and development impact fees associated with the project (estimated to be about \$239,500). \$30,000 of the Agency's funding is designated to assist with the cost of on- and off-site public improvements that might be required during the permitting process for the Project. These improvements may include curb, gutter, sidewalks, fire hydrants, street lighting, etc. An additional \$30,500 is designated to assist with the acquisition by Habitat of a portion of an adjoining parcel along Henry Avenue. With the addition of this adjoining property, Habitat will undertake the necessary engineering and design work to create a single-family Planned Development Subdivision on the site with up to ten homes. It is proposed that both the City's and the Agency's assistance be provided in the form of a grant in return for Habitat recording a 45-year affordability covenant on each lot created. Through the DDA, Habitat would be responsible for all other costs associated with developing the property.

Mr. Starman stated that with the approval of the DDA, it is anticipated that the transfer of title will occur by the end of the calendar year. Within 60 days following the approval of the DDA, an application would be submitted by Habitat to the City's Development Services Department for reconfiguration of the property as a Planned Development Subdivision, with construction anticipated to begin during summer 2005.

It was the recommendation of staff that the Board approve a DDA between the City, the Agency, and Habitat for the sale of City-owned property located at 1900 Henry Avenue and 3300-3418 West Street in the Martin Luther King, Jr. Neighborhood.

MOTION: Made by Agency Member Pohlmeier, seconded by Agency Member Kight, to approve the Disposition and Development Agreement between the City of Redding, the Agency, and Habitat for Humanity Shasta Cascade for the sale of City-owned property located at 1900 Henry Avenue and 3300-3418 West Street. The Vote: Unanimous Ayes

REQUEST FOR FUNDING BY MERCY HOUSING CALIFORNIA - MERCY OAKS VILLAGE AFFORDABLE HOUSING PROJECT FOR SENIORS
(R-030-100-055)

Assistant City Manager Starman highlighted the Report to Redevelopment Agency dated November 9, 2004, incorporated herein by reference, concerning Mercy Housing California's (MHC) request for funding for the Mercy Oaks Village Affordable Housing Project for Seniors. He stated that MHC is requesting the Agency to consider providing funding in the amount of \$500,000 to assist with financing the construction of an affordable housing project for seniors. MHC is proposing to construct a 63-unit affordable rental complex to be located on a 3.4-acre parcel on the larger 61-acre "Mercy Oaks" campus owned by Catholic Healthcare West/Mercy Hospital, Inc. (CHW). MHC will enter into a long-term ground lease with CHW for the project site. Under the proposed ground lease, CHW will retain fee title to the property while MHC will own the improvements constructed on the leasehold interest.

Mr. Starman recalled that in May 2002, the Board conceptually approved \$250,000 in redevelopment funding for the Mercy Oaks Village Project. At that time, the funding was contingent upon MHC successfully applying for and receiving a funding commitment from the U.S. Department of Housing and Urban Development (HUD) through its Section 202 Program and securing all remaining funds necessary to build the project. In November 2003, MHC was successful in receiving a \$5,634,300 capital commitment from HUD for the project. However, now that the construction plans and drawings are nearly complete, it is evident that the original 2002 project cost estimate of \$6.5 million has increased to approximately \$7.8 million. Over the past year, MHC has explored a variety of funding opportunities in an effort to close the gap between the estimated cost of construction and the available funding. Last month, HUD agreed to increase its award by \$1.5 million to assist in addressing this issue. MHC will be submitting a third application in early 2005 for \$250,000 in funding through the Federal Home Loan Bank's Affordable Housing Program. Agency funding in the amount of \$500,000 will provide the remaining funds necessary to construct the project. It is anticipated that the project could be under construction in late spring 2005. The proposed loan would be in the form of a residual receipts note secured by a deed of trust recorded against MHC/MOV's leasehold interest.

MOTION: Made by Agency Member Pohlmeier, seconded by Agency Member Kight, to approve a Disposition and Development Agreement with Mercy Housing California/Mercy Oaks Village, Inc. relative to a residual receipts loan in the amount of \$500,000 for costs associated with the development of the Mercy Oaks Village affordable senior rental project targeting the very-low-income elderly population. The Vote: Unanimous Ayes

INFORMATION ITEMS

The Agency's Monthly Projects Status Report as of November 2004 was presented for information only.

The California Redevelopment Agency's *Redevelopment Journal* for November 2004 was provided for information only.

CLOSED SESSION

Chair Stegall stated that the Agency would be adjourning to closed session pursuant to California Government Code Section 54956.8 to discuss the following:

– CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 2380 Henderson Road (Assessor's Parcel Number 107-430-035 and -034)

Agency Negotiators: Assistant City Manager Kurt Starman and Senior Redevelopment Project Coordinator Thompson

Negotiating Parties: Redding Redevelopment Agency and Terrance and Pamela Miller

Under Negotiation: Terms and price

At the hour of 6:05 p.m., Chair Stegall adjourned the meeting to closed session.

At the hour of 6:17 p.m., Chair Stegall reconvened the meeting to open session with no reportable action.

ADJOURNMENT

There being no further business, at the hour of 6:17 p.m., Chair Stegall declared the meeting adjourned.

Respectfully submitted,

MARY LEAS STEGALL, Chair

KURT STARMAN, Secretary