

**TOWN OF YUCCA VALLEY
REDEVELOPMENT AGENCY MEETING MINUTES
FEBRUARY 2, 2010**

Chair Mayes called the meeting of the Town of Yucca Valley Redevelopment Agency to order at 5:00 p.m.

Agency Members Present: Herbel, Huntington, Luckino, Rowe, and Chair Mayes Luckino.

Staff Present: Executive Director Takata, Agency Counsel Haubert, Deputy Executive Director Stueckle, and Secretary Anderson.

CONSENT AGENDA

1. **Approve**, Minutes of the Regular Redevelopment Agency Meeting of January 19, 2010 as presented.

3. **Ratify**, Warrant Registers in the amount of \$26,763.84 for expenses dated January 8, 2010. Ratify RDA Payroll Registers in the amount of \$15,441.52 for checks dated January 8, through January 22, 2010.

Town Attorney Haubert requested to pull Item 2 for an explanation.

Agency Member Luckino moved to adopt Consent Agenda Items 1 and 3. Agency Member Huntington seconded. Motion carried 5-0 on a roll call vote.

AYES: Agency Member Herbel, Huntington, Rowe, Luckino and Chair Mayes
NOES: None
ABSTAIN: None
ABSENT: None

2. **Property Acquisition, Property Located at the Northwest Corner of 29 Palms Highway and Inca Trail, Assessor parcel Numbers 0586-163-09 and 09 (aka Buma Building and property), Seller: Yucca Valley Commercial Building LLC, Inc.**

Town Attorney Haubert advised that there will be an assessment up front to determine if the property has any environmental issues before the Town enters escrow.

Agency Member Huntington moved to approve the property purchase in the amount of \$305,000 from Fund 930, Redevelopment Agency Capital Projects based upon the appraisal and authorize the Executive Director to open escrow and sign all necessary documents to complete the acquisition of the property and to pay all costs related to acquisition of the property as provide din the Purchase and Sale Agreement. Agency Member Herbel seconded. Motion carried 5-0 on a roll call vote.

AYES: Agency Member Herbel, Huntington, Rowe, Luckino and Chair Mayes
NOES: None
ABSTAIN: None
ABSENT: None

DEPARTMENT REPORTS

4. Redevelopment Agency Affordable Housing Programs, Serenity Village Project, Agency Policy Direction.

Deputy Town Manager Stueckle reported the Agency is required to allocate 20% of tax increment to affordable housing programs. It has been difficult to build affordable housing projects in Project Area #1 due to market conditions, available land and the necessary zoning. . The Council has been given conceptual plans to give you an idea of the type of project the Northridge Group will build, they have identified financing, and will guarantee affordable rents for 55 years. Topics for Agency discussion include the financing, whether or not the agency would commit to all phases that are recommended, and if the agency supports concept of a senior age restricted project. Based on the financing as proposed it is recommended that the Agency direct staff to return with language addressing the financing issue if the Agency is comfortable with concept but not comfortable locking the Agency in for that period of time.

Bill Jahn, Northridge Group, advised that his company specializes in affordable housing and has been looking at Yucca Valley for the last couple of years. They are looking at 6 acres behind the Von’s. They will have a density of about 12 units per acre and will have a clubhouse that will be for the tenants, but also open for different community events. The total build out will be 68 one bedroom and 12 two bedroom units. They have completed their tree survey and moving forward on the tortoise survey. He advised the Agency would be participating in the rent subsidy stabilization program and the contribution would be passed on to the tenant in the form of lower rents. The Agency’s investment is secured with a 1st trust deed on the property.

Agency Member Herbel questioned the Agency’s ability to fund 100% of construction of the project estimated at \$4.7 million. Administrative Services Director Yakimow advised there is about \$1.5 million available and the remaining would be funded through bonds. Agency Member Herbel requested an explanation of the tenant qualifying system. Mr. Jahn advised the Group has worked with their attorney to come up with a qualifying system based on points. Extra points are given to Yucca Valley residents, or those who have family in Yucca Valley. He noted that in 2008 100% of tenants at their facility in Big Bear were from the Big Bear Valley or had family there. Agency Member Herbel commended the project, suggested shielded lighting and that a senior pool be built.

Mayor Mayes questioned what impact this project will have to make sure the Town

meets its affordable housing needs. Deputy Town Manager Stueckle advised that every unit build with restrictions gets the Town nearer to its requirements, and noted the required number has gone up but this project will go a long way towards meeting those requirements.

Agency Member Huntington questioned how long a \$3 million bond issue will tie up the Agency’s tax increment. Administrative Services Director Yakimow advised the Agency would not have excess low/mod increment for at least 15 years.

Agency Member Huntington moved that the Agency support the conceptual project as present and direct staff to return with language addressing financing issues. Agency Member Luckino seconded.

Agency Member Rowe questioned if the \$1.5 million 20% low mod funds represent the total in reserves. Administrative Services Director Yakimow advised that is the accumulated balance from the 20% that has built up since inception. Based on reserves and debt service the funds will almost exclusively go into this project. Deputy Town Manager Stueckle advised there will be no new funds until the increment begins to grow again. Administrative Services Director Yakimow added that the Agency could always put other funds into low/mod housing.

Motion carried 5-0 on a roll call vote.

- AYES:** Agency Member Herbel, Huntington, Rowe, Luckino and Chair Mayes
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None

5. Policy Discussion and Direction, Agency 5-Year Implementation Plan, Continued Discussion of Incentive Program Alternatives.

Frank Spevacek, RSG, gave a Power Point presentation regarding the 5-year implementation Plan.

Agency Member Luckino questioned changing the geographical project area, noting in the past the Agency was told it is much easier to create a new area as opposed to expanding the current project area. Mr. Spevacek recommended that the Agency look at expanding the current area because money can not be transferred between two project areas. Agency Member Luckino questioned the process for expanding the area. Mr. Spevacek advised it is a 1 year to 18 month process depending on whether or not eminent domain is retained. Deputy Town Manager Stueckle advised that staff is working with RSG looking at potential areas.

Chair Mayes commented that the Agency has been doing pretty well with property acquisition, but doesn’t have an economic development plan for the Agency. He advised

the Agency would like recommendations as to how to go forward with economic development.

Agency Member Luckino commented the Agency needs to jump start and help incentivise old town redevelopment, and would like to RSG to put something together to show how the Agency can help finance some of these activities,

Chair Mayes stated it is important to get some firm recommendations on how to get to the end, specifically in terms of Old Town, and the best avenue to make that development happen. He also questioned if there could be another name.

Agency members agreed.

Deputy Town Manager Stueckle requested the Agency give direction in terms of infrastructure to build median islands on Highway 62. Agency Member Huntington questioned if there are alternative funding areas for that. Deputy Town Manager Stueckle advised that there can be.

Agency Member Luckino questioned if the Agency can put in the islands then have some type of repayment program as development happens. Executive Director Takata advised that can be done, however previous discussions of the RDA had was regarding the Agency paying for the medians. Deputy Town Manager Stueckle advised that the standard approach on public works infrastructure requires formation of assessment districts, and noted the key issue that comes into play in Old Town is that the properties are currently developed.

Deputy Town Manager Stueckle advised that staff has direction for 5 year Implementation Plan, and will return to the Agency for further instructions on the other issues.

6. Pomona First Federal (PFF) Building, Policy Discussion for Future Building Use

Deputy Town Manager Stueckle gave the background on the Agency's purchase of the former PFF property and outlined four possible uses for the property as follows: Town Hall relocation including moving Community Development to the property, requiring that the RDA Sell the property to the Town. Purchase and rehabilitation would impact the General Fund by approximately \$3.0 million; Relocating the Library to the location, which would reduce some of the existing congestion at the Community Center and allow the Community Development Department to be relocated with Town administrative functions; Relocate the Museum which would also allow Community to be relocated with Town administrative functions; Pursue a commercial tenant for the property which would result in all existing Town operations to remain where they are currently located.

Frank Spevacek advised the City of San Marcos has gotten commercial tenants in some

of their public facilities who now pay 100% rent for the cost of the facilities, however, there are not a lot of tenants looking for space at this point and time. Chair Mayes questioned, as an investment, would this alternative be something viable for the RDA. Mr. Spevacek advised that it would be in the long term, however in the near term it would be challenging.

Agency Member Luckino expressed support for the commercial aspect, noting he has a hard time addressing internal needs. He also expressed support for the possibility of moving the Museum to that location and working with Joshua Tree National Park to highlight Black Rock.

Agency Member Huntington stated any Town use would require rehabilitation at a cost of another million dollars and take a year to 18 months to complete. He feels the most viable solution is a commercial tenant. The Museum would also be a viable option, but does not feel the Library and Museum can be located together.

Agency Member Herbel questioned if the County has been approached to assist with rehabilitating the facility for the library. Administrative Services Director Yakimow advised there can be discussions.

Executive Director Takata advised of the time limitations for this meeting and suggested the item be tabled to the next Agency meeting.

Agency Member Luckino moved to table the discussion to the next meeting. Agency Member Rowe seconded. Motion carried 5-0 on a voice vote.

CLOSED SESSION

No Closed Session was held.

ADJOURNMENT

There being no further business, the meeting was adjourned at 5:55 p.m.

Respectfully submitted,

Jamie Anderson
Agency Secretary