

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA COMMUNITY DEVELOPMENT COMMISSION

July 5, 2011

CALL TO ORDER: Chairperson Rodriguez called the Regular Meeting of the La Palma Community Development Commission to order at 8:02 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California, with all members present.

PLEDGE OF ALLEGIANCE: Boy Scout Troop Number 610

INVOCATION: Commission Member Shanahan

ROLL CALL: Commission Members

Commission Members present: Vice Chairperson Charoen, Commission Member Hwangbo, Chairperson Rodriguez, Commission Member Shanahan, and Commission Member Waldman

Commission Members absent: None

City Officials present: Dominic Lazzaretto, Executive Director
Joel Kuperberg, City Attorney
Douglas Dumhart, Community Development Director
James Enright, Police Captain
Jeff Moneda, Public Works Director/City Engineer
Laurie Murray, Administrative Services Manager/City Clerk
Kimberly Kenney, Minutes Clerk

CONSENT CALENDAR

A. Approval of Community Development Commission Minutes

Minutes of the June 7, 2011, and June 21, 2011, Regular Meetings of the La Palma Community Development Commission.

B. Approval of Register of Demands

Resolution No. CDC 2011-19 approving the Register of Demands for July 5, 2011.

Vice Chairperson Charoen made a motion to approve Consent Calendar Items A and B.

The motion was seconded by Commission Member Shanahan and carried on the following vote:

AYES: Vice Chairperson Charoen, Commission Member Hwangbo,
Chairperson Rodriguez, Commission Member Shanahan,
and Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

RECONVENE THE CITY COUNCIL FOR A JOINT MEETING WITH THE COMMUNITY DEVELOPMENT COMMISSION AT 8:03 P.M.

REGULAR ITEMS

C. Approval of AB 1867 Affordable Housing Program Guidelines, Use of Low and Moderate Income Housing Funds Outside Project Area, and Authorization to Acquire Real Property

City Manager/Executive Director Lazzaretto noted that due to the recent State Budget adoption and evolving redevelopment issues, some of the Staff recommendations have changed.

Community Development Director Dumhart gave the presentation.

Public Input:

Cheryl Pappas, 5272 Duke Drive, addressed the City Council regarding her opposition to low income residential projects; that the City should not be involved in the taking of foreclosed homes; and expressed concern for the need to fill the empty commercial space within the City.

Mayor/Chairperson Rodriguez clarified that the City does not "take" foreclosed homes, but makes arrangements with property owners who decide to sell their property; that the State mandates housing affordability requirements; what the low income levels are in Orange County; and that the homeowners of this type of project are typically working families.

Community Development Director Dumhart noted that the proposed affordable housing units are multi-family housing units and not single family dwellings.

Council/ Commission Questions and Comments:

Discussion ensued regarding the purpose of this item being to approve the program guidelines; that Staff is not making any recommendations to fund the purchase of any properties at this time as the funds would come from Community Development Commission (CDC) set-aside monies for affordable housing; that a decision need not be made tonight as there are still pending issues with redevelopment funding; that the CDC would only be a possible funding source for the program; that the State could take away a large amount of CDC dollars; that Staff has been working on the program guidelines for several months and that they will be used for the proposed affordable housing project; that the City would need to find funding sources; that funding and granting agencies are more likely to approve an affordable housing project if program guidelines are in place; that the City's proposed affordable housing project satisfies the State's Regional Housing Needs Assessment (RHNA) numbers; that the CDC budgeted \$800,000 for foreclosed housing purchases in the FY 2011-12 budget, however it is recommended that an additional \$400,000 be added to the affordable housing budget to procure housing lots; that the City cannot allocate any funding from CDC due to current legislation; a recommendation to remove all language in the proposed Resolutions regarding the CDC and bring the item back to the City Council for approval; Community Development Director Dumhart's previous experience with AB 1867 Affordable Housing Program Guidelines in several affordable housing units in San Juan Capistrano; that the priority of the guidelines is to make the units available to La Palma residents;; that the program has a five year review period for residents; that detailed recertification of all new residents occurs annually; that the City will be able to enforce occupancy and income limits; and that affordability and income restrictions would be placed on any properties while they are in escrow.

Mike Jewell, 5211 Blairwood Drive, asked if the City would profit from the proposed affordable housing project.

Mayor/Chairperson Rodriguez responded that the State mandates affordable housing requirements and this program helps the City to meet those requirements.

Mr. Jewell asked if the City has any experience in creating affordable housing condominium units.

Mayor/Chairperson Rodriguez noted that Community Development Dumhart has had years of experience dealing with affordable housing in San Juan Capistrano.

Mr. Jewell noted his opposition to affordable housing in condominium projects.

Mayor/Chairperson Rodriguez responded that, historically, most cities meet the RHNA requirements with apartment housing; however, the City of La Palma wants to approach this project by proposing townhomes and condominium purchases for the Community.

Mr. Jewell asked for clarification as to whether this project would be like the County's Section 8 program and whether there would be any follow up on residents.

Community Development Director Dumhart responded that yes the program is similar to Section 8 affordable housing assistance, but that there were some differences. These four units would be owned by an affordable housing corporation that would report back to the City and have strict guidelines with detailed follow up for the residents.

Further discussion ensued regarding how the County defines an overcrowded dwelling; that the overcrowding numbers are determined by State Building Codes that establish occupancy levels; that the guidelines should be adopted before the Fall of 2011 in order to be competitive for funding; that if the City does not act on the Denni Street project, that its RHNA 2014 requirements will not be met; and that rehabilitation of apartment units can be done with Redevelopment funds.

- a) City Council: Adopt a Resolution approving AB 1867 Affordable Housing Program Guidelines, the expenditure of Low and Moderate Income Housing Funds for the purpose of acquiring properties for the purpose of increasing, improving, and preserving the community's supply of low- and moderate-income housing; and
- b) Community Development Commission: Adopt a Resolution approving AB 1867 Affordable Housing Program Guidelines, the expenditure of Low-and Moderate-Income Housing Funds for the purpose of acquiring properties for the purpose of increasing, improving, and preserving the community's supply of low- and moderate-income housing, and authorizing the Executive Director to acquire real properties; and
- c) Community Development Commission: Approve a supplemental appropriation of \$400,000 from the Low and Moderate Income Housing

(LMIH) Fund for the AB 1867 Program.

By consensus, the City Council/Community Development Commission agreed to table the item to a future City Council meeting to allow staff enough time to modify the resolution by removing any CDC language.

Mayor/Chairperson Rodriguez requested to take a short recess at 8:45 p.m.

Mayor/Chairperson Rodriguez reconvened the City Council and Community Development Commission at 8:51 p.m. with all members present.

ADJOURNMENT

Chairperson Rodriguez adjourned the Regular Meeting of the La Palma Community Development Commission at 8:51 p.m.

Ralph D. Rodriguez
Chairperson

Attest:

Laurie A. Murray, CMC
Secretary