

Joint Meeting of the
Cerritos City Council/ Redevelopment Agency
and **Cuesta Villas Housing Corporation**
November 8, 2007



**PROJECT
COMPONENTS**

Senior Affordable Housing Community
Senior Center
Park
Warehouse/Kitchen
District Office

Items for Consideration

- Environmental assessment
 - Mitigated Negative Declaration
- Redevelopment findings
- Agreement
 - Affordable Housing, Financing, and Disposition and Development Agreement

Public Noticing

■ Public noticing

- Notices posted at City-owned posting boards
- Over 19,000 notices mailed
 - All residential property owners in the City of Cerritos
 - Norwalk and Artesia property owners in the project vicinity
- Notices published in the "Los Cerritos Community News" and "Long Beach Press-Telegram"
- Notices posted on City and School District websites
- Advertisements on TV3
- Staff report available for review for 3 weeks

■ Public meetings

2007

Meeting History

JANUARY						
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AUGUST						
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NOVEMBER						
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DECEMBER						
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30	31					

 City Council/
Redevelopment Agency
Hearing

 District Board
Hearing

* Joint City Council/Redevelopment Agency and District Board meeting

Project Location



166th St.

Norwalk Blvd.

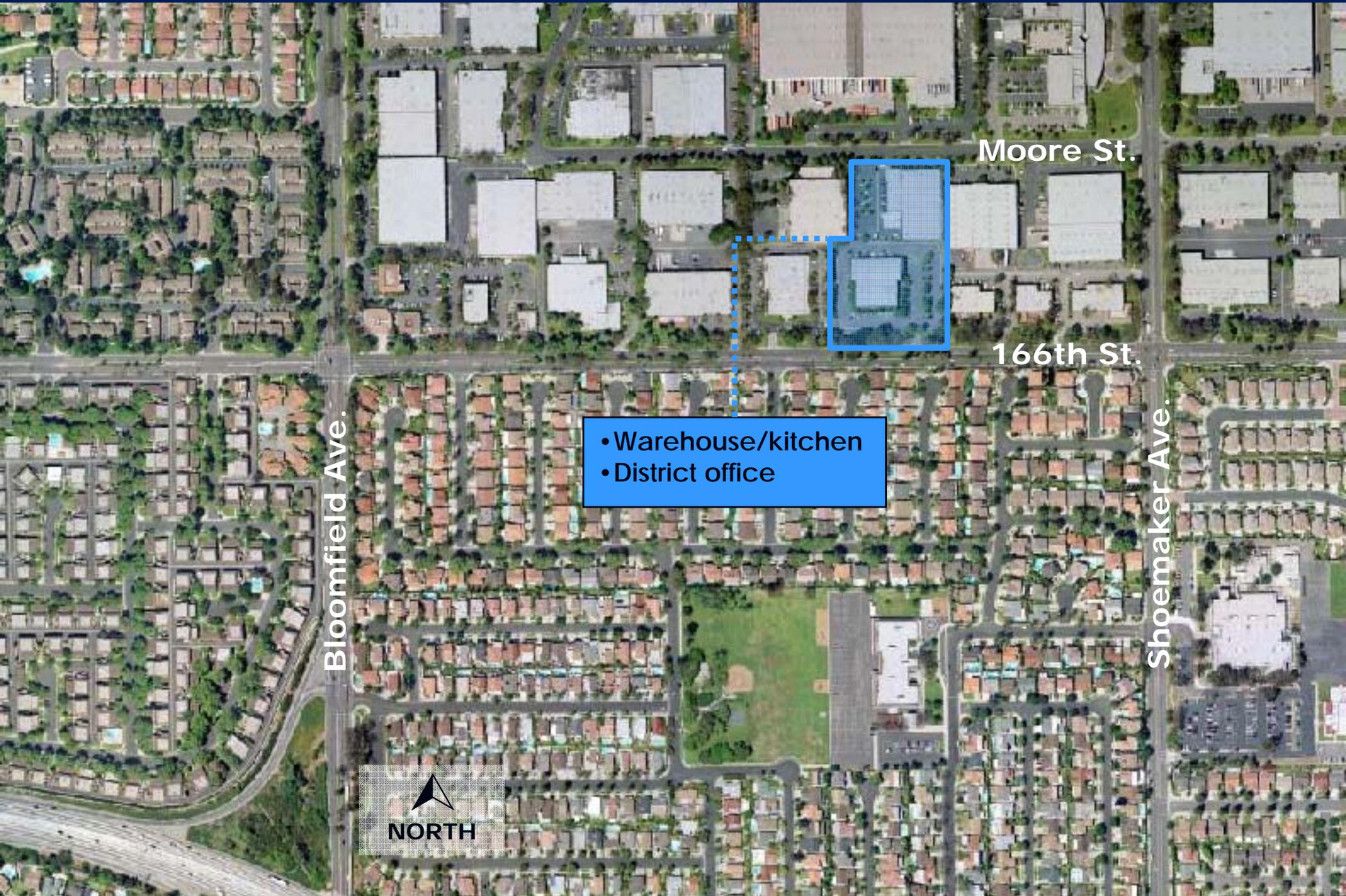
91 Freeway

Bloomfield Ave.

- Senior affordable housing community
- Senior center
- Park



Project Location



- Warehouse/kitchen
- District office



Legal and Policy Context

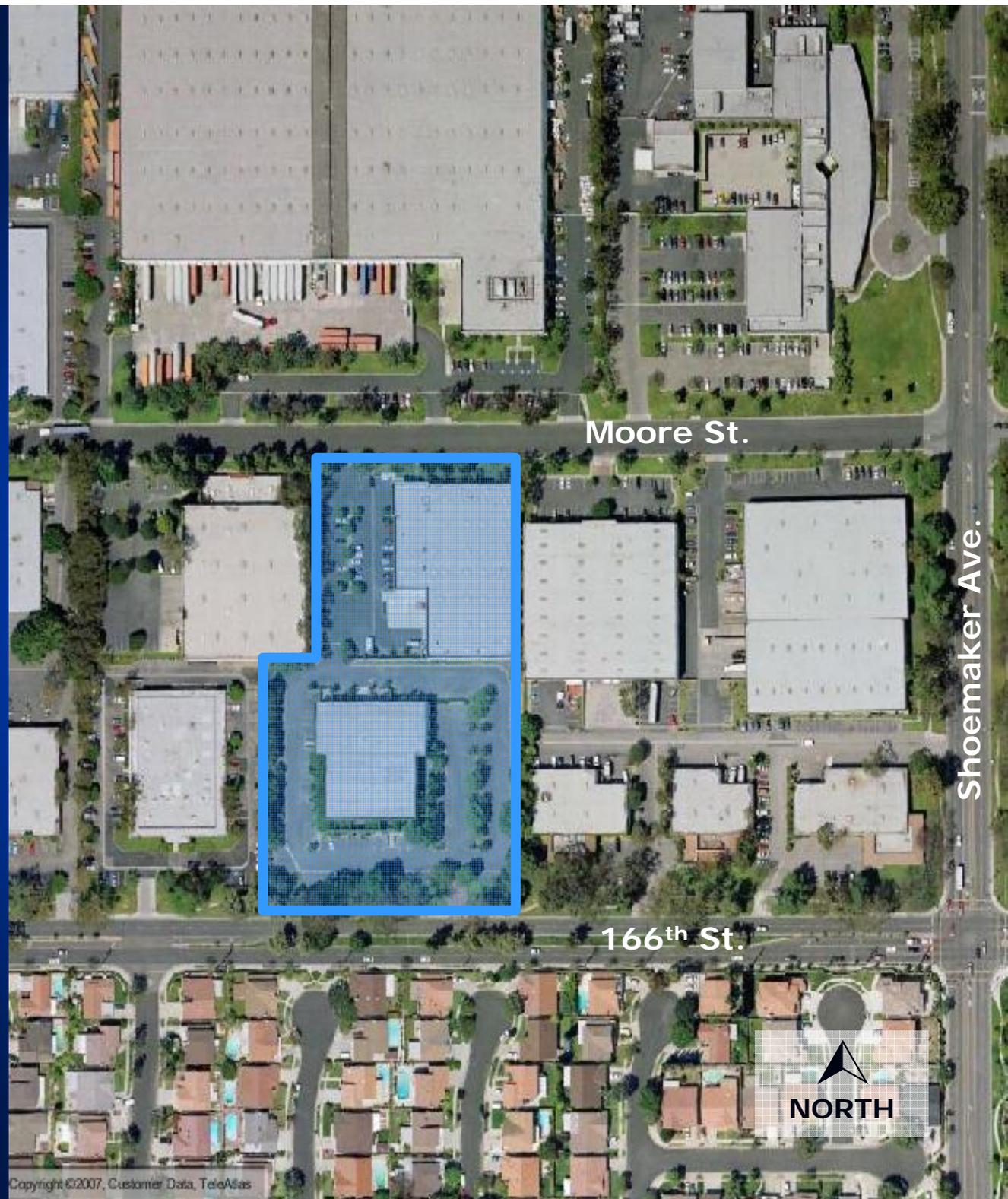
- **State affordable housing mandates**
 - Regional Housing Needs Assessment (RHNA)
 - Low- and Moderate-Income Housing Set-Aside Fund (Low-Mod Housing Fund)
- **Use of “surplus” District property**
 - District 7-11 Committee
 - Declared “surplus” on May 1, 2007
 - Decline in student enrollment
 - Use of land as revenue source

Primary Deal Terms

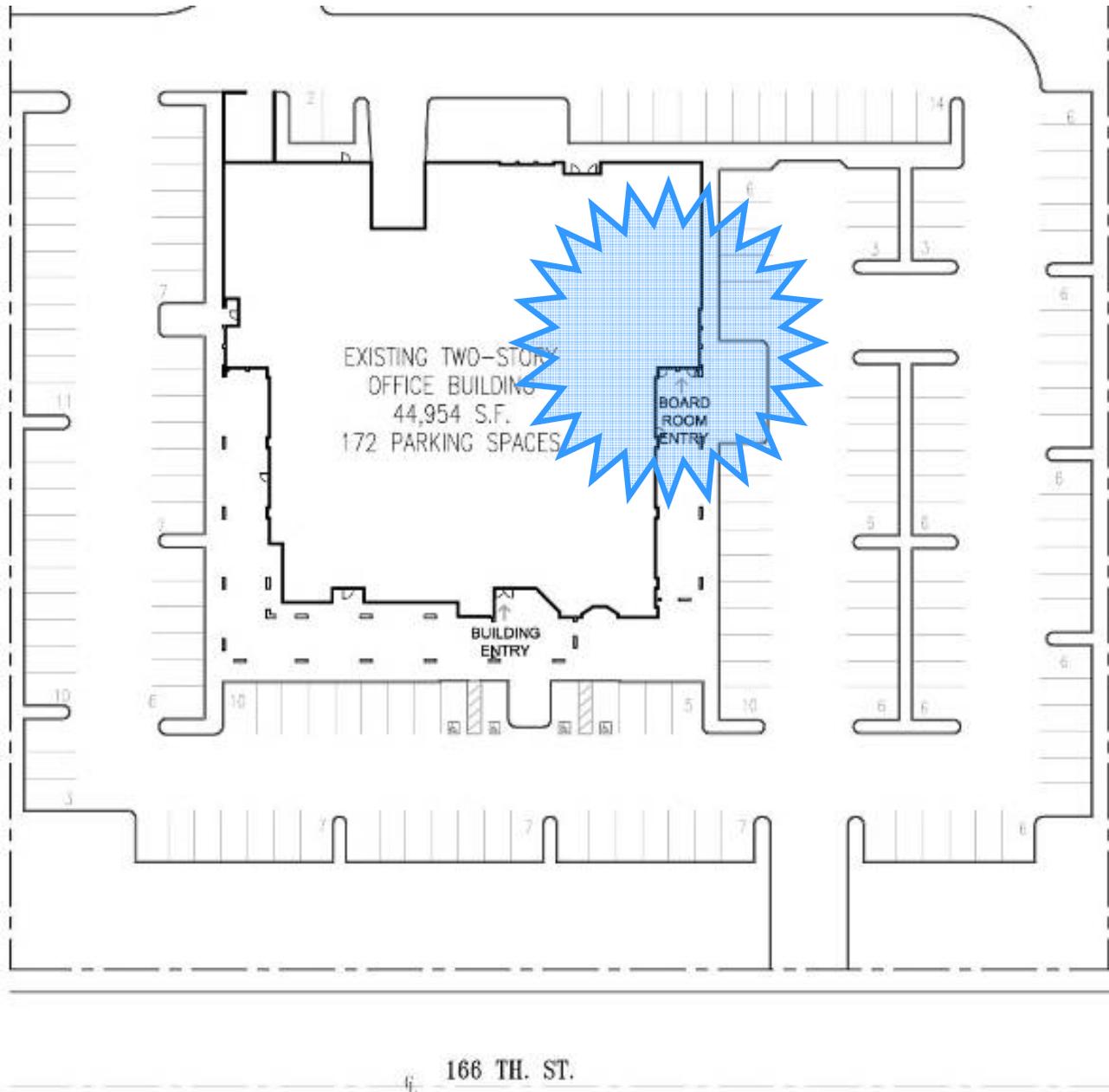
- **Affordable Senior Housing Community**
 - Cuesta Villas Housing Corporation
 - Non-profit to operate and maintain facility
 - District to ground lease property to Corporation for 55 years
 - District to receive over \$3.07 million in ground rent annually
- **District to maintain ownership of property**
 - Buildings/ Improvements revert back to District
- **District offices**
 - City to purchase new property and lease to District
 - Existing buildings to be used for District offices and kitchen/ warehouse facilities
 - Agency to fund required improvements
 - Lease option for District to purchase

Proposed District Offices and Warehouse/ Kitchen Facilities

Subject Properties:
12880 Moore Street
12881 166th Street



District Office Building





Proposed District Offices
12881 166th Street



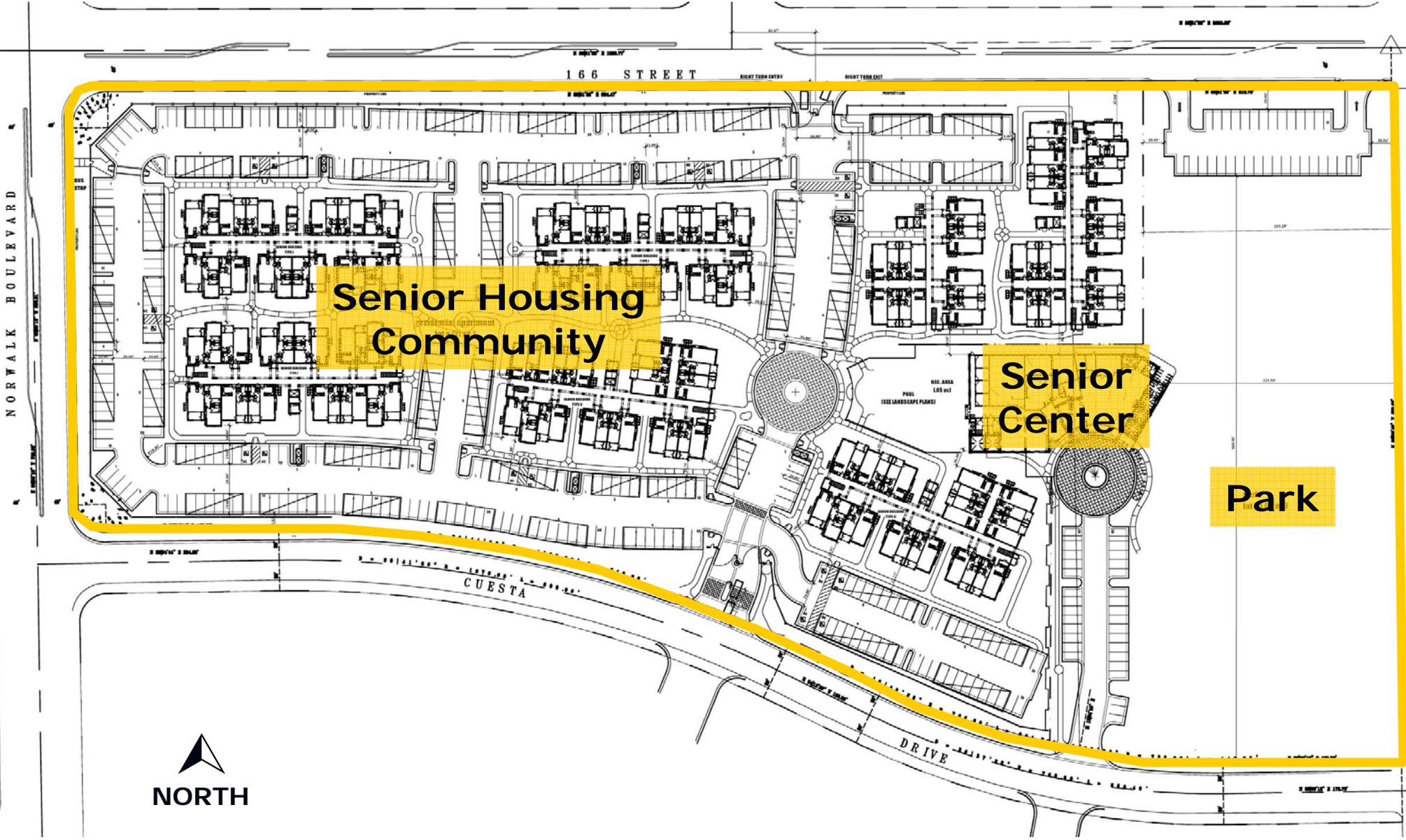
Proposed District Warehouse/ Kitchen
12880 Moore Street

**New Housing
Community,
Senior Center,
and park**



Subject Property
16700 Norwalk Boulevard

Site Plan



**Senior Housing
Community**

**Senior
Center**

Park



Senior Housing Community: Cuesta Villas

- **247 units**
 - 25 very low, 15 low, and 207 moderate income units
 - 1-bedroom and 2-bedroom units
- **High quality architectural design**
 - Southern California Mediterranean
 - “Green” architectural design amenities



Senior Housing Community: Cuesta Villas

■ Amenities

- Landscaped paths and seating areas
- Pool and spa
- Gated community and on-site security staff
- Access to public transportation



Senior Housing Community: Cuesta Villas

- Preference system for qualified seniors age 55 or older

Units Set Aside	Preference group
Up to 25% of units	Cerritos Residents <ul style="list-style-type: none"> ■ Not employees of City of Cerritos or ABCUSD
Up to 25% of units	City or District Employees <ul style="list-style-type: none"> ■ Current or former employees of City of Cerritos or ABCUSD ■ Not residents of District
Up to 25% of units	District Residents <ul style="list-style-type: none"> ■ Not employees of City of Cerritos or ABCUSD ■ Not residents of Cerritos
Up to 25% of units	General Public <ul style="list-style-type: none"> ■ Not employees of City of Cerritos or ABCUSD ■ Not residents of District

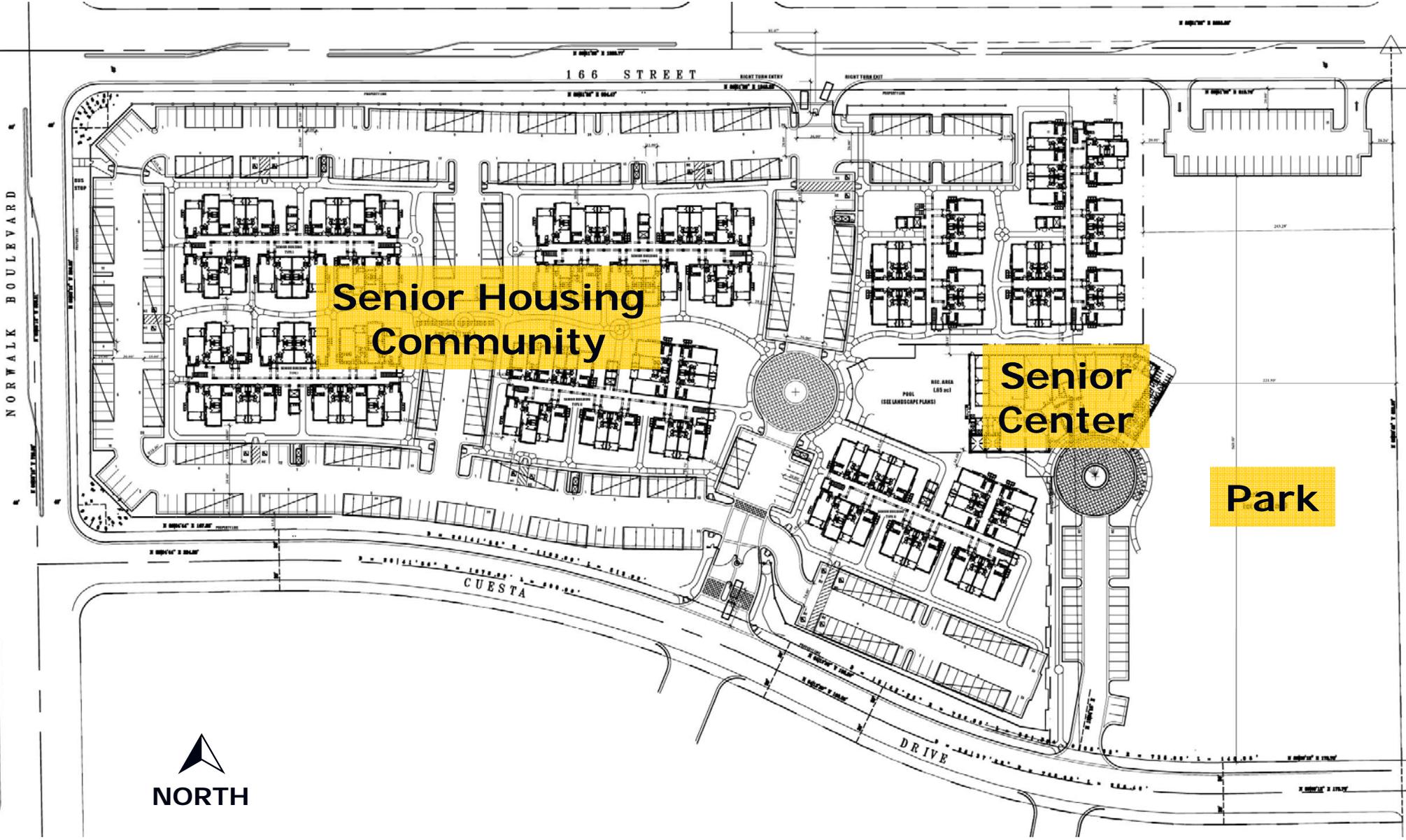
Senior Housing Community: Cuesta Villas

■ Monthly Rents

Income Category	1-Bedroom Unit	2-Bedroom Unit
Very Low	\$562.50	\$632.50
Low	\$675.00	\$759.00
Moderate	\$1,237.50	\$1,391.50

Comparison	1-Bedroom Unit	2-Bedroom Unit
Cerritos Garden Apartments (303 units)	\$1,375 - \$1,585	\$1,775 - \$1,995
Four Trees Apartments (150 units)	\$1,015 - \$1,025	\$1,160 - \$1,180

Site Plan



**Senior Housing
Community**

**Senior
Center**

Park



Senior Center

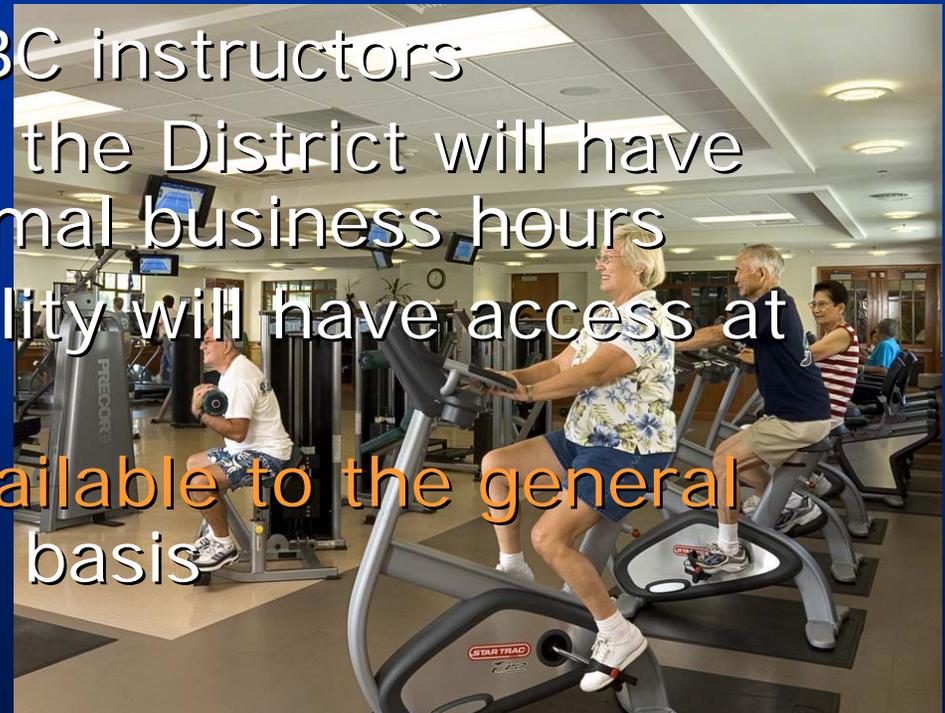
■ Senior center composition

- 13,000 s.f.
- Fitness room
- Computer center
- Multi-purpose room
- Fire places
- Kitchen amenities

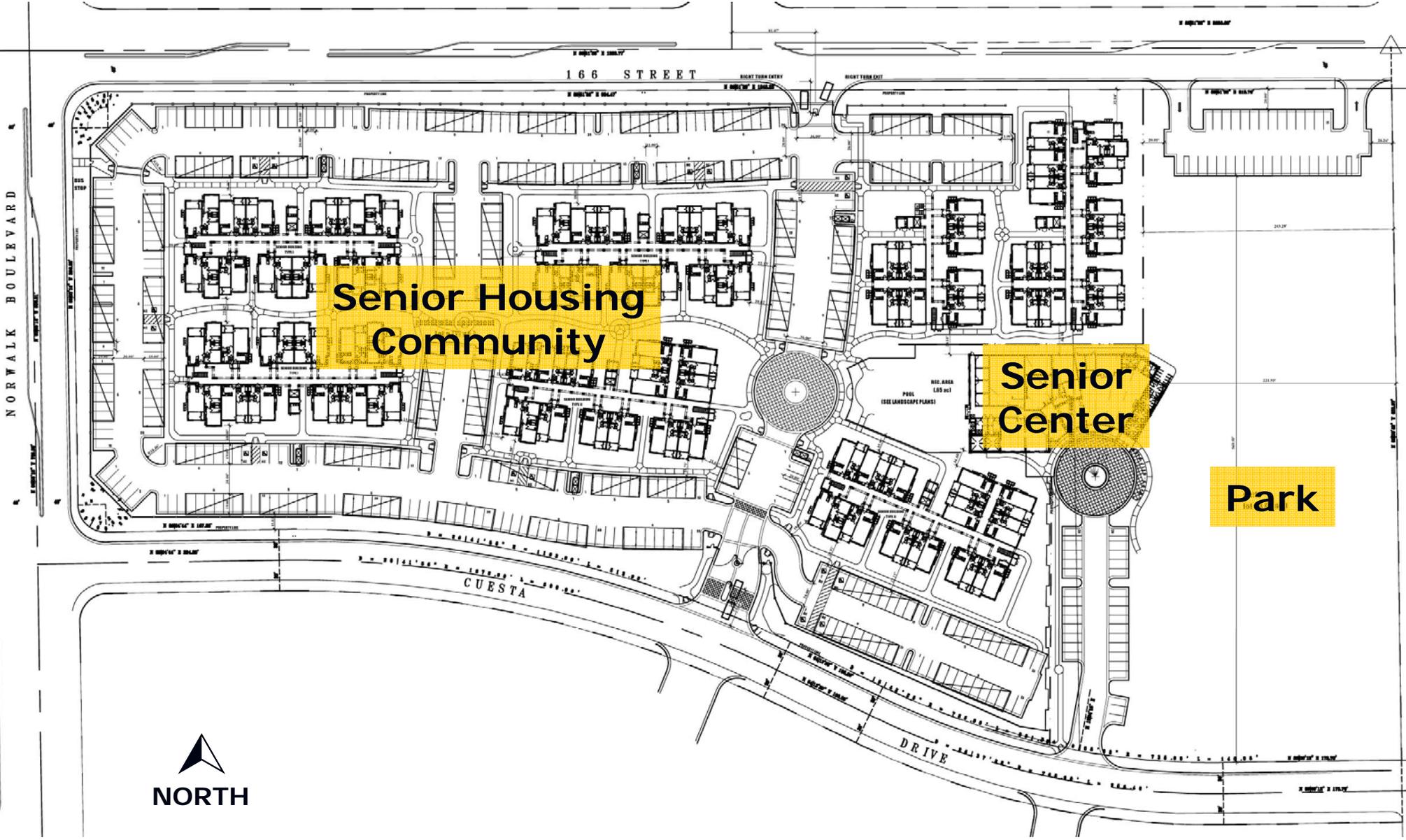
■ Programming

- Classes provided by ABC instructors
- Seniors residing within the District will have access only during normal business hours
- Seniors residing at facility will have access at all times
- Multi-purpose room available to the general public on a reservation basis

■ Operated by the City



Site Plan



**Senior Housing
Community**

**Senior
Center**

Park



Park

■ Park composition

- 4.04 acres
- Active recreational open space
- Open space lighting (subject to the approval of adjacent residents)
- Security cameras with night vision capabilities

■ Landscape amenities

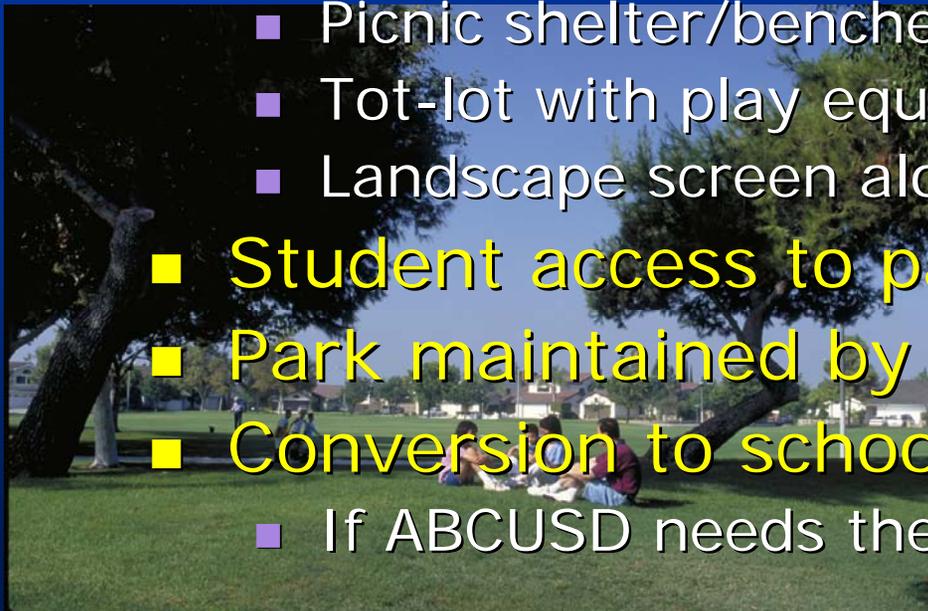
- Picnic shelter/benches
- Tot-lot with play equipment
- Landscape screen along easterly property line

■ Student access to park

■ Park maintained by the City

■ Conversion to school

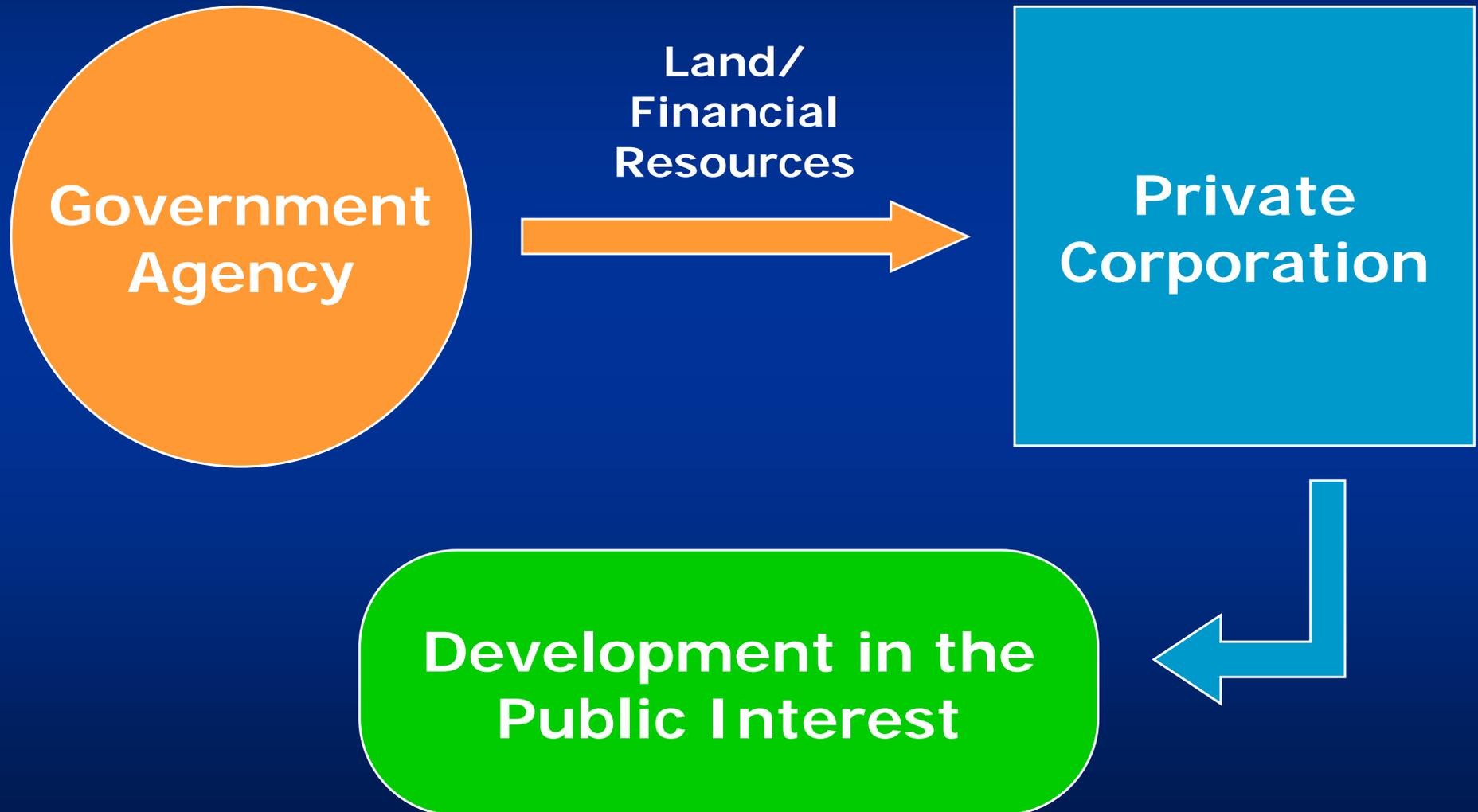
- If ABCUSD needs the land for a school



Cuesta Villas Housing Corporation

- **Private nonprofit corporation**
 - Seek tax-exempt status from IRS
 - **Separate from City/Agency**
- **Board of Directors**
 - Start-up: Cerritos City Council
 - If project is approved: **residents from within ABCUSD**
- **Duties**
 - Oversee management of the housing community, senior center, and park
 - Make ground lease payments to the District as ground lessee
 - Manage trust fund

Typical Partnership



Cuesta Villas



Emerald Villas



Pioneer Villas



Fountain Walk



Affordable Apartment Communities: Partnerships with Private Corporations

Apartment Community	City/Agency	Corporation
Blue Montain Senior Villas	Grand Terrace Redev. Agency	Corporation for Better Housing
Glen Ridge Apartments	California Municipal Finance Authority	Chelsea Investment Corporation
Haight Street Senior Housing	S.F. Mayor's Office of Housing	Citizens Housing Corporation
Los Vecinos Apartments	Chula Vista Redev. Corp,	Wakeland Housing and Development Corporation
Parkview Apartments	California Housing Finance Agency (CalHFA)	Las Palmas Foundation, Parkview Affordable L.P.
Sandstone Apartments	Fresno Housing Authority	AMCAL Multi-Housing, Inc.
The Althenheim Senior Apts.	Oakland Redevelopment Agency	Citizens Housing Corporation
Villa Amador Apartments	Brentwood RDA, CalHFA	Mercy Housing California
Willow Tree Apartments	Sacramento Housing and Redevelopment Agency	Dawson Holding, Inc.
Avalon at Cerritos	Cerritos Redev. Agency	Chancellor Village, LLC

Avalon at Cerritos

- **For-rent assisted living facility**
 - Located on the Cerritos College Campus
 - Seniors age 62 or older
 - Income categories range from very low to market rate
- **Partnership between Agency, College District and private corporation**
 - Agency entered into long-term ground lease with the College District
- **Ground lease terms**
 - \$330,000 to College District annually
 - Buildings and improvements revert back to the College District after 35 years
- **Development of Facility**
 - Agency sub-leased subject property to private Developer
 - Developer responsible for constructing and managing facility
 - \$8-million of restricted funds contributed by Agency
- **Model for Cuesta Villas**



Article 34

- **California Constitution (Article 34)**
 - 1950 provisions of Article 34
 - Voter approval required for “low rent housing projects” developed by public agencies
 - 1976 legislation clarified Article 34
 - California Health and Safety Code §37000
 - Clarifying said provisions
- **Public Housing Election Implementation Law**
 - **Exception to the voter approval requirement**
 - Development is privately owned
 - Not more than 49 percent of the development is comprised of low income units

Affordable Apartment Communities: Partnerships with Private Corporations

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Validation Court Proceeding

- Agency and District to seek judicial determination by Court
 - Validation Court Proceeding
 - To determine the legal validity of proposed project; and,
 - To ensure that the Agreement and related contracts are legal and binding
- Court determination
 - If favorable, confirms that the Agency and District are acting in accordance with applicable State law
 - If not favorable, the project would not move forward

Financial Overview: Agency's Initial Costs

Cuesta Villas



Senior Housing
\$35.2 million

Senior Center
\$4 million

Park
\$3.5 million

Trust Fund
\$100,000



New District
Office &
Warehouse/
Kitchen



Design Fees (all)
\$3.65 million

Property Purchase,
Remodel, and
District Relocation
\$19.5 million

TOTAL
\$65.95 million

Projected Low-Mod Fund Balance



Note: Fund balance shown does not reflect external funding sources that may become available, including the possible issuance of a bond by the Agency in lieu of a loan from the City.

Projected Low-Mod Fund Balance



Financial Overview: Ongoing

Ground Lease: \$3.07 million



Corporation



District



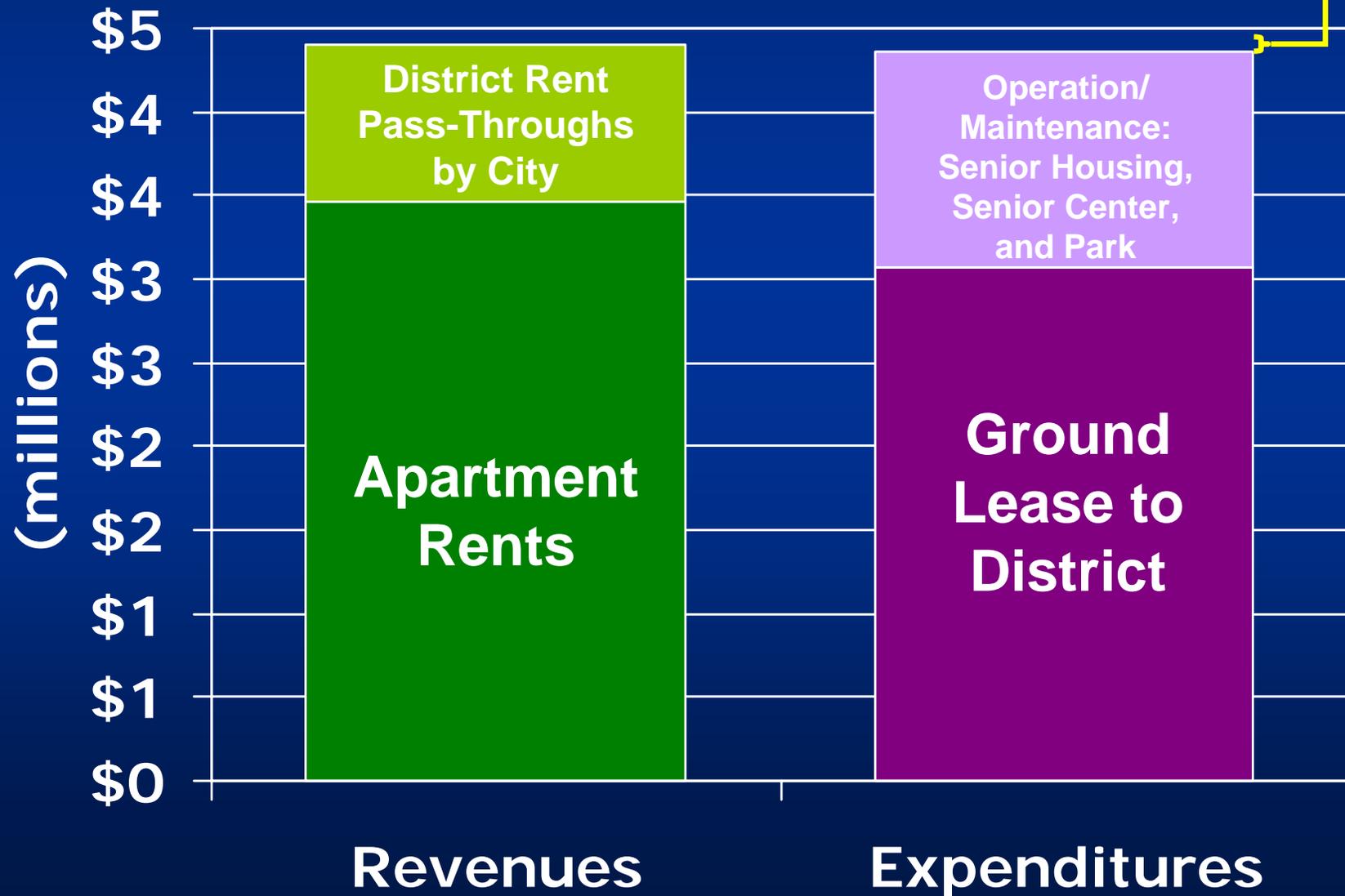
One-Time Sale Proceeds: \$13.32 to \$14.48 million
or Lease Rent: \$930,000



City pass-through to
Corporation Trust Fund

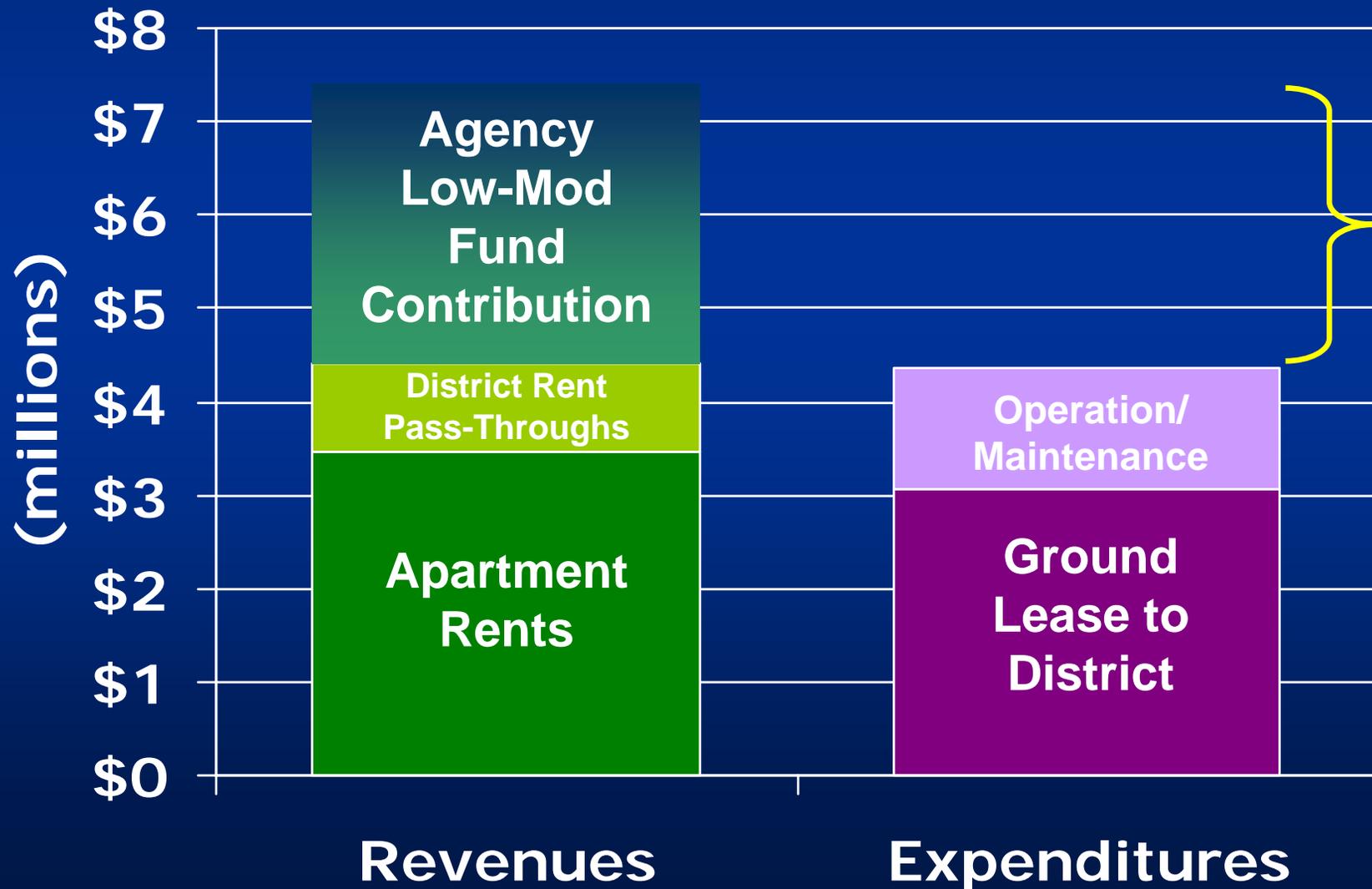
Corporation Trust Fund: Start-Up Cash Flow

Difference: \$140,000 deposited into Trust Fund annually for future operation expenses



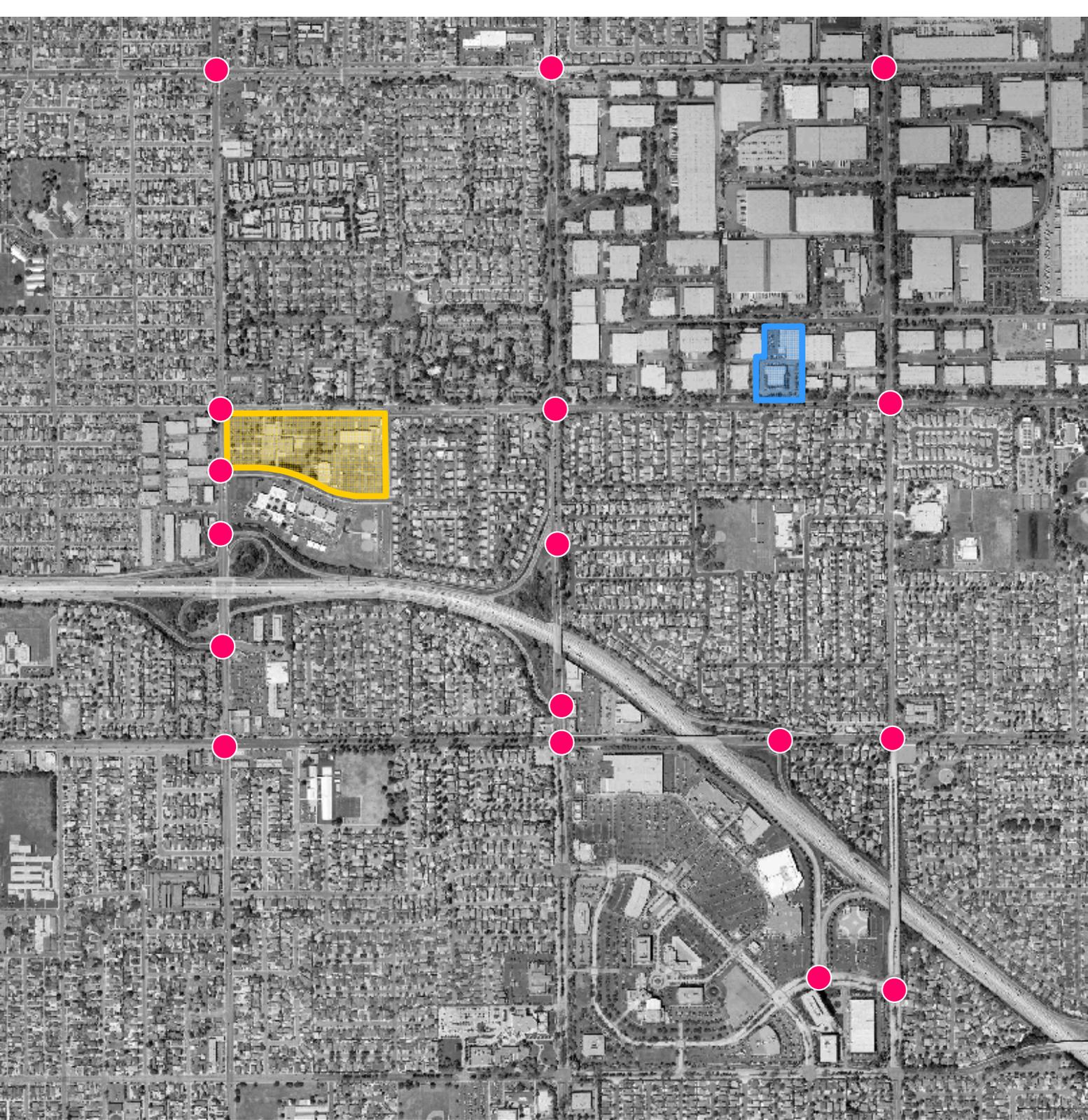
Corporation Trust Fund: Cash Flow through 2026

Difference: Additional Low-Mod Fund monies may potentially be made available for funding future operation expenses on an as needed basis.



Environmental Assessment

- Independent, objective assessment
 - Discussion of potential environmental impacts
 - Including: traffic, air quality, noise, ...
 - Traffic study: spring 2007 (school in session)



● Traffic Study Intersections

Environmental Assessment

(continued)

- Mitigated Negative Declaration
 - Mitigation measures
 - No significant impacts related to traffic, air quality, or noise
 - Traffic: Slight increase in vehicle trips is not significant
 - Standard mitigation measures

Mitigation Measures

- Exterior lighting
- Archaeological resources
- Asbestos and lead-based paint
- Recycling

Environmental Assessment

(continued)

■ Public review

- Available for public comment beginning August 30
- One (1) comment received
 - L.A. County Sanitation Districts
- Presentation to ABC Board

■ City Council consideration

■ Past Senior Housing Developments

- No significant environmental impacts

Redevelopment Findings

■ Health and Safety Code

- Expenditure of tax increment (Low-Mod Fund)
- City and Agency must make specific findings

■ Redevelopment summary report

- Available for public review since October 18
- Summary of proposed transaction
- Facts supporting findings for consideration by City and Agency

Redevelopment Findings

■ Findings

- Project achieves redevelopment objective of providing housing for low- and moderate-income persons
- Consistent with Redevelopment Plan and five-year implementation plan
- Benefit to Project Areas

Project Benefits

City/Agency

- RHNA fulfillment
- Expenditure of Low-Mod Fund per State law
- Affordable housing for growing senior population
- New senior center
 - Not paid-for with General Fund
- New park
 - Not paid-for with General Fund

School District

- New office, warehouse, and kitchen facilities on 4.6-acre property
 - Option to own
- \$3.07 million annually
 - \$180 million over 55 years for students and schools
- Student access to the park
- Ownership of Norwalk Blvd. improvements after 55 years



Summary

- **Fulfillment of policy goals**
 - Provide affordable housing for growing senior population
 - District use of property
- **Consistency with other affordable housing developments**
 - Cuesta Villas Housing Corporation in partnership with City/Agency and District
- **Environmental assessment**
 - No significant environmental impacts with incorporation of mitigation measures

Next Steps

- ABC Board consideration of proposal
 - November 20, 2007
- Validation court proceeding
- Escrow
- Entitlements
- Construction

End of Presentation

Comments:
planning@ci.cerritos.ca.us