

## Library funding plan offered

Whittier Daily News, The (CA)-October 21, 2007

Author: Mike Sprague, Staff Writer

---

WHITTIER - Mayor Owen Newcomer has a plan to finance a new and much larger library. It relies on a new federal tax credit plan, use of leftover city housing credits, and a willingness to pay for a new parking structure.

These three parts total \$23.5 million, more than the \$21 million HDS Group of Beverly Hills - the city's chosen developer - said it would need as a subsidy to build a library.

Newcomer's plan also would give away for free the former Alpha Beta property - where the library would be constructed - instead of charging as much as \$7.7 million for the city-owned, 3.4-acre property along Hadley Street between Comstock and Milton avenues. The new library would replace the existing 36,596-square-foot, 50-year-old library on Mar Vista Street.

The plan also assumes that private donors can pick up the estimated \$14 million cost of the interior.

"Can we afford to build a library?" Newcomer asked. "The answer I give is yes."

"Some of the expense will be spread out over 30 years," he said.

"Some of the expense is a psychological use of appropriate bookkeeping.

I think it would present a good value to the city," he said.

But some say that Newcomer is premature in proposing the plan, and others say his plan is too risky and the city can't afford it.

Councilman Greg Nordbak said any plan needs to go to the council first.

"It's irresponsible to have a plan by one person," Nordbak said. "We need a plan discussed openly by all of the council members. It's way premature."

Councilman Bob Henderson said there are just too many unknown variables in Newcomer's plan.

"At this point we haven't worked out a final deal with the developer," Henderson said. "There's still enormous things to be pinned down until you know what the cost would be for the development of a library."

In addition, the costs of a police station - the city's top priority - need to be finalized, he said.

Newcomer's plan assumes \$11million of the cost will come from an investor who would put up that much money to, in essence, purchase the library.

"He would lease it to us for 30 years and at the end we own it," he said. "It's like a home mortgage. This is a way that we can afford it and string out the costs."

The investor also could receive as much as \$4 million in tax credits in return, Newcomer said. Nordbak said he didn't like the additional debt it would give the city.

"We bit the bullet to build a police (station) with debt and a bond," he said. "When we did that, we knew we would have to be real savvy for the next few years."

The second part of Newcomer's plan envisions not requiring the developer to build homes that would be affordable for people with low and moderate incomes.

State law normally requires a certain number of homes in an any project to include affordable housing. Whittier has a surplus of about 60 housing credits left over from previous projects and could use those as a way of avoiding that requirement.

By doing that, the developer would save an estimated \$5.5 million, Newcomer said. Henderson said he's not so sure about using the housing credits for this project.

"They're worth \$250,000 to \$400,000 a credit," he said. "Those are big bargaining chips."

With plans to build more residential on the east side of the city, those credits might be more useful there.

"The subsidies (for low- and moderate-income housing) are \$400,000 a unit," Henderson said. "How many units can we afford before we can't do it any more?"

The third part of Newcomer's plan calls for the city or Redevelopment Agency to spend \$7 million on a parking structure, instead of requiring the developer to do so.

Nordbak and Henderson question whether the city had enough money to pay for a parking structure. Nordbak also questioned how the city could just give away the Alpha Beta property.

"We've already spent the money for that land for the police station," Nordbak said. "If we give the land away, we're still \$5 million short because we can't spend the money twice."

The fourth component of Newcomer's plan relies on \$14 million in private financing for interior costs.

---

[mike.sprague@sgvn.com](mailto:mike.sprague@sgvn.com) - (562) 698-0955, Ext. 3022

Section: News - Record Number: 7245214

(c) 2007 The Whittier Daily News. All rights reserved. Reproduced with the permission of Media NewsGroup, Inc. by NewsBank, Inc.