

SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD

MINUTES

MONDAY, November 26, 2012 SPECIAL MEETING

Community Development Department Conference Room

410 McGroarty Street

San Gabriel, California 91776

1. CALL TO ORDER/ROLL CALL

Present:

Board Chair Hamid Behdad, Appointee, Chancellor of the California Community Colleges

Board Vice Chair Thomas Marston, Appointee, Mayor City of San Gabriel

Board Member Frank Cheng, Appointee, Los Angeles County Library

Board Member Annie Huang, Appointee, Los Angeles County Board of Supervisors

Board Member Maria "Nonette" Martin, Appointee, Los Angeles County Board of Education

Board Member David Sweeney, Appointee, Los Angeles Board of Supervisors

Absent:

Board Member David R. Gutierrez, Appointee, Mayor City of San Gabriel

Also present were:

Teresa L. Highsmith, Oversight Board Attorney

Peter Wallin, Deputy City Attorney, City of San Gabriel

Robin Scherr, Economic Development Manager, City of San Gabriel

Camille Paton, Deputy City Clerk, City of San Gabriel

Minh Kieu Dao, Los Angeles County Commission Services

2. PUBLIC COMMENT

PUBLIC COMMENT: PURSUANT TO GOVERNMENT CODE SECTION 54954.3, THIS IS THE TIME PROVIDED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON ITEMS OF INTEREST THAT ARE NOT ON THE AGENDA WITHIN THE SUBJECT MATTER JURISDICTION OF THE OVERSIGHT BOARD.

There were no members of the public present.

3. MINUTES OF SPECIAL BOARD MEETING OF OCTOBER 15.

MOTION: Moved by Board Member David Sweeney, seconded by Board Member Annie Huang to approve the minutes of regular board meeting of October 15, 2012. Motion carried 6-0.

4. OLD BUSINESS

- a. **Approval of Resolution No. OB 12-14 approving the Property Management Plan for 1266-88 E. Las Tunas Drive and approval of Resolution No. OB 12-15 authorizing the Successor Agency to dispose of real property assets in accordance with the Property Management Plan (APN 5387-034-029 and 538-034-028).**

b.

Economic Development Division Manager Robin Scherr presented the staff report. Chair Behdad and Deputy City Attorney provided background information to the disposition of real property assets for new Board Member Martin. General Counsel Terri Highsmith gave the opinion that once the Department of Finance takes the opportunity to review the Property Management Plan, it would most likely approve the disposition of real property because if the property was otherwise marketed there would not be any additional monies to distribute to the taxing agencies.

Board Member Cheng asked whether the Successor Agency is obligated to offer the previous owner of 1266-88 E. Las Tunas Drive the first right of refusal. General Counsel Highsmith answered that the former owner would not have this right because the appropriate findings for public purpose would have been made in 2004 when the transaction took place. Ms. Highsmith explained that it is within the Oversight Board's right to force the sale of the property but it wouldn't result in more money for the taxing agencies because the property was paid in full by the developer and they would be the beneficiaries of the sale. It was her opinion that approving the Property Management Plan would be the only way to get any money to the taxing agencies.

MOTION: Moved by Chair Behdad, seconded by Board Member Sweeney, to adopt Resolution No. OB 12-14 approving the Property Management Plan for 1266-88 E. Las Tunas Drive. Motion carried 6-0.

Deputy City Clerk requested a roll call vote.

AYES:

Board Chair Hamid Behdad
Board Vice Chair Thomas Marston
Board Member Frank Cheng
Board Member Annie Huang
Board Member Maria "Nonette" Martin
Board Member David Sweeney

ABSENT:

Board Member David R. Gutierrez

MOTION: Moved by Chair Behdad seconded by Board Member Cheng to approve Resolution No. OB 12-15 authorizing the Successor Agency to dispose of real property assets

in accordance with the Property Management Plan (APN 5387-034-029 and 538-034-028).
Motion carried 6-0.

Deputy City Clerk requested a roll call vote.

AYES:

Board Chair Hamid Behdad
Board Vice Chair Thomas Marston
Board Member Frank Cheng
Board Member David R. Gutierrez
Board Member Annie Huang
Board Member Maria "Nonette" Martin
Board Member David Sweeney

ABSENT:

Board Member David R. Gutierrez

Economic Division Manager Scherr made the request to reverse the presentation of items 4b and 4c due to recent developments. Chair Behdad agreed to this request.

c. Status report on Third Recognized Obligation Payment Scheduled (ROPS).

Ms. Scherr presented the staff report. Deputy City Attorney Wallin elaborated on the report and discussed the determination by DOF to disallow administrative costs for the housing successor agency. Ms. Highsmith gave the opinion that there doesn't appear to be any basis in the law under AB x1 26 or in AB 1484 that allows the DOF to take this position.

Ms. Scherr asked Ms. Highsmith whether the language used in the DOF determination letter was confusing and whether it was her opinion that DOF's intent was to invalidate the housing agreement. Ms. Highsmith responded that it was consistent with other cities and that it was unclear whether DOF's classification of all monies under administrative and monitoring costs was an attempt to invalidate the housing agreement.

Board Member Huang asked what the next step was for the Successor Agency after the meet and confer session with the DOF. Ms. Highsmith responded the Successor Agency will wait for the final determination by DOF and, if the result is the same, the Successor Agency can take the disputed items to court. Mr. Wallin stated that the City doesn't have an incentive to go to court and if such an action is taken it will have to be done by the developer.

Board Member Huang asked if there is a possibility of the developer suing the successor agency or housing successor agency. Mr. Wallin answered that there was a possibility but that the City could modify its conditions of approval to try to mitigate a lawsuit. Vice

Chair Marston shared with the board the dollar amounts of the items disallowed by the DOF which is the all of the housing costs. The report was received and filed.

b. Status report on Due Diligence Review for the Low Moderate Income Housing Fund.

Ms. Scherr presented the staff report and summarized the Successor Agency's actions taken to date. Board Member Cheng asked how long DOF has to respond after the meet and confer. Ms. Highsmith responded that DOF has 30 days. The report was received and filed.

5. BOARD ITEMS

Chair Behdad announced that the Los Angeles County Redevelopment Dissolution Coordination Team will be hosting a Webinar to review current issues impacting oversight boards on December 5 and distributed invitations to the event. Chair Behdad also distributed flyers about a post redevelopment funding event on December 4 with Kish Rajan, the Governor's newly appointed Director of Economic Development, and Larry Kosmont of Kosmont Companies sponsored by California Consulting, LLC and the San Gabriel Valley Civic Alliance for Southern California cities.

Ms. Scherr reviewed the upcoming Oversight Board meeting schedule.

6. ADJOURNMENT

Oversight Board actions are subject to review by the California State Department of Finance. As such, the Oversight Board Actions shall not be effective for three days pending a request for review by the Department of Finance.



Camille Paton, Deputy City Clerk



Hamid Behdad, Chair