

**SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD  
MINUTES**

Monday, September 11, 2013  
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  
Diane Hadland, Successor Agency Staff, City of San Gabriel  
Camille Paton, Deputy City Clerk, City of San Gabriel  
Cesar Hernandez, 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 COUNCIL ON ITEMS OF INTEREST THAT ARE NOT ON THE AGENDA WITHIN THE SUBJECT MATTER JURISDICTION OF THE OVERSIGHT BOARD.**

There was no one from the audience who wished to speak.

**3. MINUTES OF REGULAR BOARD MEETING OF JULY 22, 2013 MEETING**

MOTION: Moved by Board Member Sweeney, seconded by Board Member Cheng to approve the minutes of regular board meetings of February 25 and Special Meeting of May 17, 2013. Motion carried 5-0 (Board Member Gutierrez was absent and Board Member Huang was a late arrival).

#### **4. NEW BUSINESS**

APPROVAL OF RESOLUTION NO. OB 13-05 APPROVING THE ROPS 2013-14B (FIFTH ROPS) FOR THE PERIOD FROM JANUARY 1, 2014 TO JUNE 30, 2014, AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(J).

Diane Hadland provided the staff report and a summary of items remaining as enforceable obligations on the proposed ROPS. Chair Behdad inquired as to the status of the property management plan. Ms. Hadland provided a brief history of actions and corrections had taken place to satisfy DOF's requirements for the property management plan and further explained that it had been resubmitted but the DOF has an indefinite amount of time to review the documents. Staff was hopeful to receive an answer by the end of the current ROPS period.

Ms. Hadland gave an overview of the new ROPS spreadsheet and changes that were made by DOF to standardize the spreadsheet. Chair Behdad asked if there were any big items on the proposed ROPS. Ms. Hadland answered that there weren't many big items because the Successor Agency is winding down. Deputy City Attorney noted one major change on the ROPS is the absence of item # 5 related to the purchase of affordable housing units. He explained that the Successor Agency did not include this as an enforceable obligation because the Los Angeles County Housing Authority did not express an interest in receiving the funds to acquire the affordable housing units. Ms. Hadland added that even if it had been included on the ROPS there would be insufficient funding. In addition, General Counsel Highsmith stated the DOF would have disallowed the request for funds because if it is a housing asset, the housing successor agency is controlling this asset and is therefore required to use their own funding and not RPTTF funds.

Chair Behdad asked Ms. Hadland what is to be anticipated in the near future for the Successor Agency and what should be expected for the Oversight Board? Ms. Hadland explained that the wind down will continue but the need for administrative staff will depend on DOF's processes and approvals. Ms. Highsmith concurred that the Successor Agency is indeed effectively winding down and attending to a few remaining items.

For the record, at this point in the meeting Board Member Annie Huang joined the Oversight Board discussion.

Chair Behdad asked Ms. Highsmith to confirm that it is her opinion that there is no conflict of interest. Ms. Highsmith affirmed that this is her opinion. Chair Behdad asked for confirmation the City Manager will sign the waiver. Ms. Hadland confirmed that he will sign the waiver. Chair Behdad asked Ms. Highsmith to give a summary of the case decision by the Supreme Court. Ms. Highsmith explained the Supreme Court decided that the County of Los Angeles did withhold more money for administrative costs to distribute property taxes therefore the

County does have to make refunds to Los Angeles County cities. The only thing currently in question is the amount owed, the statute of limitations on refunds and determining the interest.

Chair Behdad asked for clarification of the city loan on page 8 of the ROPS and what that means for the Successor Agency. Both Ms. Hadland and Ms. Highsmith explained that due to AB1X26, any loan between an agency and a city was disallowed unless it was entered into within the first two years or has a third party attached otherwise is not considered an enforceable obligation. The San Gabriel City Loan under these terms is not considered an enforceable obligation. The passage of 1484 allowed for some of the money from these loans to be recovered through a recalculation of the terms with a new formula but there is a distinct process. First, the Successor Agency must get a finding of completion which the San Gabriel Successor Agency has achieved. Once a finding of completion is reached, an agency that has an outstanding loan through the original RDA must come back to the Oversight Board and request an approval of a restated loan which will include the new terms and make the loan a secondary obligation to be paid after the taxing entities and the interest will be calculated at the LAIF rate. The loans were said to begin this fiscal year but there have been delays from DOF. Board Member Huang asked how the DOF settled on a formula for the new repayment terms. Ms. Highsmith responded that the details of the formula come directly from section 34141.4 in the Post RDA Compliant Provisions. Hamid wanted to confirm that commencing with the proposed ROPS there is a separate administrative budget to be approved. Ms. Hadland confirmed that there was and gave details of the budget.

MOTION: Moved by Vice Chair Marston, seconded by Board Member Sweeney and Huang to approve resolution No. OB 13-05 approving the ROPS 2013-14b (Fifth ROPS) for the period from January 1, 2014 to June 30, 2014, and the successor agency administrative budget pursuant to health and safety code section 34177(j) Motion carried 6-0 approving the conflict of interest waiver for Oversight Board Legal Counsel.

Deputy City Clerk Paton called a roll call vote.

AYES:

Board Chair Hamid Behdad  
Board Vice Chair Thomas Marston

Member Frank Cheng  
Board Member Annie Huang,  
Board Member Maria “Nonette” Martin  
Board Member David Sweeney

ABSENT:

Board Member David R. Gutierrez

**5. BOARD ITEMS**

Ms. Hadland stated for the record that the regular Oversight Board meeting on September 23, 2013 has been cancelled.

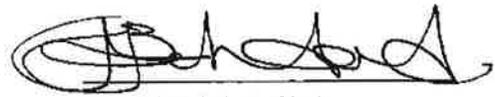
**6. ADJOURNMENT**

Adjournment to the regular Board meeting of October 28, 2013, commencing at 10:00 a.m. in the City of San Gabriel Community Development Department Conference Room, 410 McGroarty Street.

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 five days pending a request for review by the Department of Finance.



Camille Paton, Deputy City Clerk



Hamid Behdad, Chair