

**CITY OF SAN LEANDRO**  
**Successor Agency Oversight Board**

October 3, 2012, 2012

9:00a.m.-10:00a.m.

Sister Cities Gallery  
San Leandro Civic Center  
835 East 14<sup>th</sup> Street

**HIGHLIGHTS**

Board Members: Surlene Grant, Steve Hernandez, Morgan Mack-Rose and Supervisor Wilma Chan

City staff present: Finance Director Baum, Interim Community Development Director Liao, Business Development Manager Battenberg, Assistant City Attorney Bloch, Secretary Gonzalez

Public present: Anthony Varni, Michael O'Toole

The meeting was called to order at 9:05a.m.

**1. Call to Order/Announcements**

a. Roll Call

b. Adoption of July 18, 2012 Oversight Board  
M/S/C Mack-Rose/Grant, Ayes 4, Noes 0

c. Announcements:

- Staff reported that although the title company was hesitate to process the sale of 1550 East 14<sup>th</sup> Street because no formal action was taken by the DOF to approve the sale, City/Successor Agency Attorney Sue Bloch spoke to the title company's lead attorney and resolved the situation so the sale is moving forward.
- Next week's October 10, 2012 Oversight Board meeting is required to approve the Due Diligence Review for the Low and Moderate Income Housing Fund of the Successor Agency, per AB 1484.
- Finance Director Baum is actively working to complete a bond refinancing that should bring the interest rate on two of the former Redevelopment Agency's debt obligation from approximately 5% to 4%, which will allow for additional monies to be distributed to the taxing agencies. Staff will schedule an Oversight Board meeting at the end of November for Board approval of this action.

**2. Review of and Public Comment on Due Diligence Review for the Low and Moderate Income Housing Fund of the Successor Agency**

Interim Community Development Director Liao reviewed the requirements of the DOF to conduct a Due Diligence Review (DDR) for the Low and Moderate Income Housing Fund (LMHF), including the deadlines, the execution and purpose of the DDR. Accordingly, the Successor Agency hired independent public accounting firm Vavrinek, Trine, Day & Co., to conduct the DDR to determine if there are any unobligated balances in the LMHF.

The key finding of the DDR is there no unobligated balances in the LMHF. There is only one (1) real housing asset, the Casa Verde, for which the City has signed a long-term management agreement with Mercy Housing. The main component is the BRIDGE Housing Corporation affordable housing development, for which \$3.9 million in cash has been accumulated and recognized as part of the outstanding \$7 million obligation in the ROPS.

Next steps:1) the October 10, 2012 Oversight Board meeting to approve the DDR; 2) the DOF will submit comments no later than November 9, 2012; 3) request by Successor Agency to “Meet and Confer” with the DOF by no later a November 16, 2012; 4) a 30 day deadline for the amendment or confirmation of Findings from the DOF.

**3. Update on Assembly Bill 1484 True-Up Payment Dispute and League of California Cities Legal Challenge**

Assistant City Attorney Sue Bloch confirmed the DOF agreed with the Successor Agency’s determination of monies owed, however while they will not revise the numbers, the DOF confirmed that they will not seek penalties. The County-Auditor Controller has stated it will not update its records regarding the amount owed until permission from the DOF has been granted; this prohibits the Finding of Completion. A Finding of Completion is anticipated in Spring 2013 and this issue will hopefully be resolved by then.

**4. Board Comments**

Chairperson Chan requested an update on the Oversight Board’s hiring of an attorney. Staff stated that while some agencies in Alameda County have hired legal counsel, San Leandro does not need it at this point. Staff confirmed that the Oversight Board was not named as a party in the suit brought by Mr. Varni’s client, however if the Oversight Board needs counsel they will be ready. Board member Grant asked regarding the status of a letter she was copied regarding the King Property. Mr. Varni confirmed that he had not received a response to letter from him to Supervisor Chan. Staff stated they will follow-up.

**5. Public Comments - None**

**6. Adjourn - The meeting was adjourned at 9:25a.m.**