

CITY OF SAN LEANDRO
Successor Agency Oversight Board

December 19, 2012
9:00a.m.-10:00a.m.

Sister Cities Gallery
San Leandro Civic Center
835 East 14th Street

HIGHLIGHTS

Board Members: Dr. Hal Gin, John Jermanis, Morgan Mack-Rose, Mark Williams and Supervisor Wilma Chan

City staff present: Finance Director David Baum, Interim Community Development Director Liao, Business Development Manager Battenberg, Assistant City Attorney Downs, Administrative Analyst Kay, Secretary Gonzalez,

Public present: P. Cecilia Storr, Esq.

The meeting was called to order at 9:01 a.m.

1. Call to Order/Announcements

- a. Roll Call -
- b. Adoption of November 28, 2012 Oversight Board
M/S/C Jermanis/Gin; Ayes 4, Noes 0
- c. Announcements:
 - Confirmation of the next scheduled meetings set for January 9, 2013.

2. Review of Alameda County Redevelopment Property Tax Trust Fund Distribution Estimates

- a. February – December 2012
- b. January – June 2013

Administrative Analyst Kay reviewed the actual disbursements of funds from the Redevelopment Property Tax Trust Fund (RPTTF) to the taxing agencies to date. Kay noted that each agency has information on its own receipts, but it may be useful to see the information for all of the taxing agencies.

Oversight Board member Mark Williams arrived at 9:10a.m.

3. Update on Department of Finance (DOF) Review of Past Oversight Board Actions

Administrative Analyst Kay reviewed DOF determinations on the January-June 2013 ROPS including the denial of a loan due to the City's General Fund, noting there may be recourse down the road, the denial of Cooperative Agreements for roughly \$9m of capital improvements and the denial "at this time" of the BRIDGE Housing Owner Participation Agreement (BRIDGE OPA), the determination that the legal costs must be included in the

administrative budget. Counsel Downs confirmed that some agencies were successful in their appeals.

Kay further stated that the Successor Agency has been asked to remit approximately \$3.9m set aside for BRIDGE to the State, with the understanding that future funding needs for this project could be recouped via the ROPS process. This determination resulted from the DOF's review of the Due Diligence Review for Housing Funds which was previously approved by the Oversight Board. The Successor Agency has determined that the best course is to delay payment of the funds for the following reasons: the assumption that the project can be funded via future ROPS is flawed; once paid, there is little chance of a refund from the State; it is questionable that the State will penalize the Successor Agency.

Kay reported the DOF, Alameda County and the Successor Agency will go to court together to resolve the outstanding issue of the AB1484 True-up payment for which the Successor Agency paid \$521,000 in July 2012. The Successor Agency continues to assert that the previous payment reflected its full obligation, however, in order to resolve the issue, a "stipulated judgment" will need to be entered which will formally change the amount owed to \$0.00. The Successor Agency will then no longer be out of compliance. Of note, all of the affected taxing agencies will be served and Alameda County will now be able to pay its share of the true-up payment, for which there had been no avenue previously.

4. Review of and Public Comment of Due Diligence Review for the Non-Housing Funds of the Successor Agency

Administrative Analyst Kay stated the review, a requirement of State law, determined that the unobligated fund balance available to the taxing agencies is \$438,604. If the DOF does not dispute the findings, the disbursements to the taxing agencies would be in the early spring. The Board requested public comment and none was received. Final Oversight Board approval of the Due Diligence Review is scheduled for January 9, 2013.

5. Board Member Comments -

Board Member Gin asked regarding the status of the Village Marketplace since the Fresh & Easy is no longer planned. Staff shared there is no formal presentation planned for the City Council as yet, but the developer, Innisfree Ventures II, is actively negotiating with a replacement tenant and this has slightly delayed the construction schedule. Staff confirmed the original schedule had escrow closing in March 2013 and that deadline should be met.

6. Public Comments - None

7. Adjourn- The meeting was adjourned at 9:40a.m.