

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

January 9, 2013
9:00a.m.-10:00a.m.

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

HIGHLIGHTS

Board Members: Dr. Hal Gin, Surlene Grant, Steve Hernandez, 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: Anthony Varni

The meeting was called to order at 9:00 a.m.

1. Call to Order/Announcements

- a. Roll Call -
- b. Adoption of December 19, 2012 Oversight Board Highlights
M/S/C Gin/Chan; Ayes 4, Noes 0
- c. Announcements:
 - No future meetings are scheduled at this time; a meeting regarding the ROPS will be scheduled for the end of February.
 - Resolution of the AB1484 True-up Payment issue is moving forward; Court filing is scheduled for January 18, 2013 with the intent of reaching a stipulated judgment. This will allow the Alameda County Successor Agency the mechanism to pay their share of the balance, San Leandro's balance will be set to \$0.00 and the San Leandro Successor Agency will no longer be out of compliance as it relates to this issue. Of note, a portion of the January 2013 ROPS payment owed to the City for January – June 2013 obligations has been withheld due to being out of compliance.
 - Staff confirmed that the Department of Finance (DOF) has required remittance of San Leandro's Low-Moderate Income Housing set aside funds of ≈\$4 million for redistribution to the taxing entities. This funding is reserved in its entirety for The Alameda, a workforce housing project being developed by BRIDGE Housing. There are no more formal mechanisms for protest, but Staff has grave concerns that the Successor Agency will not have funds available when needed if the fund balance is released resulting in project terminated. The Successor Agency is interested in not filing a lawsuit, if avoidable, and is watching closely how other cities are proceeding. Assistant City Attorney Downs updated the Board regarding similar housing fund demand cases, including a Temporary Restraining Order issued against the demand of

funds in one case and a question regarding the DOF's position of potentially issuing criminal penalties.

Oversight Boardmember Williams arrived 9:05a.m.

2. Approval of Due Diligence Review for Non-Housing Funds of the Successor Agency

Business Analyst Kay reviewed the Due Diligence Review (DDR) and described its purpose as confirming the unobligated fund balance available at the time of the end of Redevelopment. The DDR determined that the amount available is \$438,000 and the Successor Agency is in agreement with this conclusion. There are several other fund balances, including 1) constrained bond funds; 2) long-term receivables; and 3) real property, for which there is a separate protocol for disbursement. There are over \$20 million in assets, of which only \$438,000 is unencumbered. Kay noted that there was some clean-up of the text of the DDR since the presentation of the draft document at the prior meeting; however, no substantive changes were made. Kay reviewed the next steps: once approved by the Board, there is a five day window to submit to the DOF, the DOF then has 60 days in which to review the DDR, after which they return their findings and then allow a meet and confer, if needed.

Action

Approval of Final Due Diligence review of the Non-Housing Funds of the Successor Agency

M/S/C Williams/Gin; Ayes 5, Noes 0

- 3. Board Comments** – Per a query from Boardmember Williams, Staff confirmed that the Village Marketplace is moving forward and the developer David Irmer is in serious negotiations with a new anchor tenant.
- 4. Public Comments** – Anthony Varni stated the King Family matter is close to resolution and he believes the obligation should be on the upcoming ROPS. He stated he further believes the recent transferring of properties to the Successor Agency was a positive development that will ultimately lead to more funding being available for a settlement of this matter. Chairperson Chan clarified that a Finding of Completion must be received prior to any assets being sold and that funds received are to be remitted to the County Auditor/Controller. Staff confirmed that due to the outstanding issues surrounding the Housing Fund Balance, the General Fund Loan and the Cooperative Agreements the Finding of Completion is not on schedule for April 2013.
- 5. Adjourn** – The meeting was adjourned at 9:30a.m.