

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

February 13, 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, John Jermanis, Morgan Mack-Rose and Supervisor Wilma Chan

City staff present: City Manager Chris Zapata, Finance Director David Baum, Business Development Manager Battenberg, Successor Agency Attorney Labadie, Assistant City Attorney Downs, Administrative Analyst Kay, Secretary Gonzalez

Public present: Michael O'Toole

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

1. Call to Order/Announcements

a. Roll Call –

2. Adjourn for Closed Session at 9:02a.m. -- Reconvened to Open Session at 9:40a.m.

Oversight Boardmember Grant arrived 9:04a.m

3. Report on any action taken in Closed Session – None

4. Resolution Approving Settlement Agreement in the Matter of the King Parties

Oversight Board Legal Counsel Labadie reviewed the staff report including the history of the ground lease guarantee and terms of the proposed settlement which was reached between the Successor Agency and the Kings Parties and approved by the Court last week. Labadie explained that the Department of Finance (DOF) will need to review and approve of the action of the Oversight Board, per the protocol to review and approve all actions of the Oversight Board. Labadie further explained that according to the Redevelopment Dissolution Law, a settlement agreement approved by the court constitutes an enforceable obligation.

Action

Approval of Oversight Board Resolution Approving Settlement Agreement in the matter of the King Parties

M/S/C Jermanis/Hernandez; Ayes: 5 (Gin, Grant, Hernandez, Jermanis, Chan), Noes: 1 (Mack-Rose)

Chairperson Chan handed chair to Vice-Chair Grant at 9:40a.m. and departed meeting

1. Call to Order/Announcements (continued)

b. Adoption of January 9, 2013 Oversight Board Meeting Highlights

M/S/C Grant/Gin; Ayes 4 (Gin, Grant, Hernandez, Jermanis), Noes 0, Abstain 1 (Mack-Rose)

c. Announcements

- Confirmation of the next meeting scheduled for 9am February 27, 2013
- Staff confirmed the DOF issued an approval of the Oversight Board's Resolution 2012-9: Refinancing Certificates of Participation issued in 2001 by the former Redevelopment Agency, allowing additional monies to be distributed to the taxing agencies as a result of the savings from the refinancing.
- Staff confirmed the Successor Agency is moving forward with litigation to resolve the DOF demand for the Low-Moderate Housing set-aside fund (\$3.9 million) as the only option to keep the allocated funds available to satisfy a contractual commitment to BRIDGE Housing. The set-aside funds will need to be disbursed in 2013 in order to move forward with the project; this is also necessary in order to leverage over \$21 million in State Proposition 1C funds committed to the project.
- Staff confirmed a Stipulated Judgment was issued by the California Superior Court regarding the Agency's AB1484 True-Up payment obligation. This allows the County of Alameda to pay its \$2.9 million obligation and brings the Successor Agency into compliance on this issue with no further payment due.
- Staff confirmed that the DOF objected to the transfer of the governmental purpose parcels back to the City of San Leandro from the Successor Agency. The DOF has consistently rejected property transfers, even those believed to be allowed by statute, indicating that all transfers must go through the process of the property management plan. The definition of a governmental purpose parcel will need to be clarified.

5. Board Comments – Board member Mack-Rose stated she would like the record to reflect that her opposition to the King Settlement Agreement is not a reflection of her opinion of the Settlement terms, which she stated were beneficial to the Successor Agency and provide an expeditious means to end the dispute, but is a response to the origins of the Agreement between the Kings, Madison Marquette and the Redevelopment Agency, which she stated, was ill-conceived and allowed Madison-Marquette to extricate themselves from the obligation, leaving the citizens of San Leandro on the hook.

6. Public Comments – None

7. Adjourn – The meeting was adjourned at 10:00a.m.