

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

February 27, 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: Assistant City Attorney Downs, Administrative Analyst Kay, Gonzalez

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

1. Call to Order/Announcements

- a. Roll Call –
- b. Adoption of February 13, 2013 Oversight Board Meeting Highlights
M/S/C Gin/Jermanis; Ayes 5
- c. Announcements
 - Business Development Manager Battenberg stated that the Department of Finance (DOF) had exercised its right to review the King Settlement Agreement and now has 40 days respond. The first scheduled payment under the settlement in on the July-December 2013 Recognized the Obligation Payment Schedule (ROPS). As stated in the settlement agreement, the agreement is not effective until both the agreement and the payment on the ROPS have been approved by the DOF.
 - Attorney Downs stated that on February 26, 2013 the Successor Agency filed a writ in California Superior Court on the matter of the DOF's demand for the Successor Agency's Housing Fund Balance. There will be an attempt to meet prior to a hearing date. Downs confirmed the courts currently are scheduling hearings in August and other agencies have found the DOF amenable to meeting prior to hearing dates. Administrative Analyst Kay confirmed that there is a timing element because the Auditor-Controller has withheld disbursements for the ROPS when there is a matter in dispute. Kay also confirmed there is interest and outreach from members of the State Legislature regarding resolving the issue of housing set-aside funds.
 - Kay confirmed the Non-Housing Due-Diligence Review response from the DOF is expected within a few weeks.
 - Downs stated that the reissuance of the bonds is moving forward and the bonds could be sold as early as March 10, 2013 which will result in a slight savings in the principal and interest payment on the next ROPS.

Oversight Boardmember Grant arrived 9:05a.m

2. Resolution Approving the Recognized the Obligation Payment Schedule (ROPS) for period July 1 – December 31, 2013

Kay presented the ROPS, noting that items which are highlighted in red reflect items the DOF has rejected and green highlighted items are items which have been paid in full. These items will remain locked into the ROPS throughout the duration of the process. Kay noted that there are three new items:

- 1) Item #39 : King Settlement first disbursement, as discussed at the previous meeting
- 2) Item #40: Litigation costs for the True-Up Payment
- 3) Item #41: Litigation costs for the Housing Side-Aside Fund

Kay stated the administrative allowance has been increased to the reflect 3% of the ROPS payment amounts, as that is now greater than the \$250,000 per year minimum allotment, due to the addition of the King Settlement disbursement. Kay stated that will be calculated specifically for each ROPS. Kay also reviewed the effect of over and underestimating the obligation amounts.

Questions from the Board included whether the DOF had the authority to overturn a court-approved settlement. Downs confirmed that they do not. Clarification was requested on items #3, #25, and #23 regarding amounts, estimates of charges, and outstanding payments owed. The nature of the Friends of San Leandro Creek agreement was clarified, including the source of funds to pay the obligation, the lease expiration, and benchmarks on the agreement.

Action

Approval of Oversight Board Resolution Approving the Recognized the Obligation Payment Schedule (ROPS) for period July 1 – December 31, 2013

M/S/C Jermanis/Gin; Ayes: 6

- 3. Board Comments** – Board member Gin queried what was on the horizon for the Oversight Board and the Successor Agency. Staff confirmed that the Successor Agency will need to decide if it will pursue litigation regarding the DOF's denial of the General Fund Loan. Staff confirmed that the DOF's determination of the Non-housing Due Diligence Review is expected within a month. Staff confirmed a State Controller Audit, Finding of Completion and the Property Management Plan are also on the horizon for the Oversight Board.
- 4. Public Comments** – None
- 5. Adjourn** – The meeting was adjourned at 9:25a.m.