



# REGULAR MEETING MINUTES

## OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)  
South San Francisco, California 94083

CITY HALL  
LARGE CONFERENCE ROOM, TOP FLOOR  
400 GRAND AVENUE

TUESDAY, AUGUST 14, 2012  
2:00 P.M.

### CALL TO ORDER

Time: 2:03 p.m.

### ROLL CALL

Present: Boardmembers Beaudin, Christensen, Farrales,  
Nagel as alternate for Addiego  
and Scannell, Vice Chairperson Porterfield and  
Chairperson Cullen.

Absent: Boardmember Addiego.

### PLEDGE OF ALLEGIANCE

Led by Boardmember Christensen.

### AGENDA REVIEW

Chairman Cullen suggested Item 9 be heard prior to number 8.

Boardmembers agreed to follow this course of action.

### PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

None.

## MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Regular Meeting of July 10, 2012.

Motion: Boardmember Scannell/Second – Boardmember Christensen: to approve the Minutes of the Regular Meeting of July 10, 2012. Approved by the following voice vote: AYES: Boardmembers Beaudin, Christensen and Nagel, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: Boardmember Farrales; ABSENT: None.

2. Resolution No. 3-2012 adopting a Conflict of Interest Code for the Oversight Board to the City of South San Francisco Successor Agency.

Chairperson Cullen had contacted the Clerk of the Board to inquire whether or not a date should be written into the Resolution regarding submittal of Conflict of Interest forms.

Attorney Mattas noted the annual submittal date as April 1.

Motion: Boardmember Christensen/Second – Boardmember Scannell: to approve Resolution No. 3-2012. Unanimously approved by voice vote.

3. Report on Department of Finance inquiry pertaining to action by Resolution approving One Chestnut Avenue Leasing Criteria.

City Attorney Steve Mattas noted the State Department of Finance requested a review but had made no other inquiries. He was unsure of their questions but would report back with details when received. The time frame for review starts at 5 plus 40 days from day of action.

4. Presentation of Housing Asset Reporting Form provided to the State of California Department of Finance.

Redevelopment Consultant Armando Sanchez reviewed the list of assets included in the report.

Motion: Boardmember Christensen/Second – Boardmember Scannell: to approve Resolution No. 4-2012. Unanimously approved by voice vote.

5. Resolution No. 5-2012 approving Sitike Counseling Center Lease Amendment for 472 Grand Avenue (306 Spruce).
6. Resolution No. 6-2012 approving San Mateo County Medical Clinic Lease Amendment for 306 Spruce Avenue.

Items 5 and 6 were presented together though Motions were made separately.

Redevelopment Consultant Sanchez explained that both Sitike Counseling Center and San Mateo County Medical Clinic leases had expired last year. Since then, they have respectively been tenants on a month to month basis. Both agencies have requested extensions and staff recommended a one-year lease at this time as AB 1484 makes it inappropriate to extend them for longer. A rent reduction was also requested from Sitike. Staff recommended approving a rent reduction for both Sitike and the County on two

grounds: 1) Each agency provides valuable services, and 2) a rent reduction still places the rental amounts near the range of similar rents in the area. The building is older, with a lot of problems, so it is not unreasonable to grant the request especially in these economic times. The reduction amounts to approximately \$7000/year. Whatever is approved will be reviewed by the state.

Boardmember Christensen asked when an asset study would be due.

Mr. Sanchez stated six months after certificate of completion. As soon as the ROPS cycle was through, staff would conduct a study.

City Attorney Mattas added that a longer extension had been considered but dropped back to wait for asset plans.

Item 5 - Motion: Boardmember Scannell/Second – Boardmember Nagel: to approve Resolution No. 5-2012. Unanimously approved by voice vote.

Item 6 - Motion: Boardmember Scannell/Second – Boardmember Nagel: to approve Resolution No. 6-2012. Unanimously approved by voice vote.

7. Resolution No. 7-2012 approving Successor Agency's request to include expenditures of housing bond proceeds on the Recognized Obligations Payments Schedule (ROPS).

Chair Cullen sought clarification as to the Successor Agency's obligations regarding bond proceeds.

Attorney Craig Labadie stated they could be used consistent with the covenants; if none, they could be used to defease or repurchase bonds on the open market.

Boardmember Christensen asked about the possibility of projects coming back to the Board and about the bond funds being used towards the ROPS.

Attorney Mattas stated there were restrictions under the covenants but that it would have to be looked into and reported back at a later date.

Motion: Boardmember Nagel/Second – Boardmember Christensen: to approve Resolution No. 7-2012. Unanimously approved by voice vote.

Item 9 heard before Item 8.

9. Report from Bond Counsel regarding the legal authority of the Oversight Board to set aside funds in an escrow account to call bonds issued by the former Redevelopment Agency.

Attorney Craig Labadie reminded the Board the item was transmitted as a confidential document and asked if the Board wished to waive confidentiality.

Boardmembers agreed to waive confidentiality.

It was recommended the Oversight Board consider the opinion of the bond counsel regarding the authority to pay funds into an irrevocable escrow account to be used with other funds to call the 2006 Redevelopment Agency Bonds on September 1, 2016, the first call date for the bonds.

No action was necessary as bond counsel concluded that the establishment of an escrow account was permissible by the enabling legislation.

8. Presentation and consideration of the draft Recognized Obligations Payments Schedule (ROPS) for the period January 1, 2013 through June 30, 2013.
  - a. Presentation of draft ROPS.
  - b. Consideration of Resolution approving draft ROPS.

Finance Director Jim Steele presented the ROPS noting the state had changed the format to include: contact information page, summary pages, notes pages and a true-up page. The state had provided the initial format which allowed the claiming of administration costs, the new format does not. Since then, we have talked with the City Attorney and are recommending adding a line item to read "Previously Unfunded Admin Costs for the January through June 2012 ROPS Period." (Line Item 78; pg 6). These costs should be reimbursed on a go-forward basis.

Other changed/added items included: line 77 for use of unspent bond proceeds allowing the use of debt service; Lines 8 and 9 refer to Debt Service for the bonds; and Line 76 for audit costs under the terms of AB1484.

Director Steele noted the Resolution included \$377,180 in previous administrative costs.

Chair Cullen sought clarification as to whether the expenditures shown were in six month increments.

Director Steele confirmed the expenditures shown were for six months.

Boardmember Christensen noted the \$900,000 for replacement housing costs were scheduled to be in this six month period. Boardmember Christensen also asked if there was a difference between the estimated expenditures and the actual expenditures- would that get carried over as a credit or a deduction to a future ROPS?

Regarding the replacement housing costs, Consultant Sanchez said they were expected in this ROPS in order to prevent violation of the covenants.

Regarding credit towards future ROPS, Director Steele stated there was no credit for a completed project but it would carry over to the next ROPS if a project was not complete.

Boardmember Scannell asked the current status of the Accrued PERS Pension Obligations and the Retiree Health Obligations (lines 71 & 72).

Director Steele responded there was currently no opinion from the Department of Finance, however the items still needed to continue to be shown or else they would drop off.

Chair Cullen understood that the Board had previously not wanted this shown and by putting it in the

RFTTP column shows that payments would be made in the six months ROPS.

Director Steele noted changes could be made to be consistent with past actions.

Chair Cullen summarized the attachments included in the resolutions as being : p1, 3, and 5 -10, with changes made to p6 regarding Items 71 and 72. Procedurally, he asked that the Resolution direct the Chair to certify the ROPS.

Attorney Mattas stated the Resolution could be rewritten to state the Chairperson was authorized to sign the ROPS on behalf of the Board.

Motion: Boardmember Scannell/Second – Boardmember Farrales: to approve Resolution No. 8-2012 with changes to the ROPS as noted. Unanimously approved by voice vote.

Clarifications were made to row C on page 3 to reflect \$250,000.

Attorney Mattas noted all Resolutions of the Board were subject to review by the Department of Finance.

10. Future Agenda Items.

- a. Report on any determination by the State of California Department of Finance on unfunded pension and liabilities being an enforceable obligation of the Successor Agency of a Redevelopment Agency.

Boardmember Christensen requested a yearly report on the bond payments. Staff agreed to provide the requested report.

ADJOURNMENT

Motion – Boardmember Scannell/Second– Boardmember Christensen: to adjourn the meeting. Unanimously approved by voice vote.

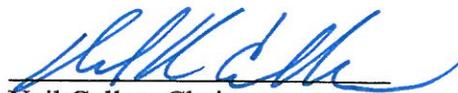
Pursuant to the above motion, Chairman Cullen adjourned the meeting at 3:09 p.m.

Submitted:



Anna M. Brown, Deputy City Clerk  
City of South San Francisco

Approved:



Neil Cullen, Chairperson  
Oversight Board for the Successor Agency to the  
City of South San Francisco Redevelopment  
Agency