



MINUTES
SPECIAL MEETING
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, FEBRUARY 23, 2016
2:30 P.M.

CALL TO ORDER

TIME: 2:31 P.M.

ROLL CALL

PRESENT: Boardmembers Gross, Farrales, Christensen,
Addiego, Vice Chair Krause and Chair Cullen.

ABSENT: Boardmember Scannell.

PLEDGE OF ALLEGIANCE

Led by Boardmember Christensen.

AGENDA REVIEW

The Board determined to hear Item No. 2 before Item No. 1.

COMMUNICATIONS FROM STAFF

Chair Cullen inquired about Boardmembers' responsibility for AB 1234 ethics training. Assistant City Attorney Mattas advised, and Oversight Board Counsel Labadie agreed, that Boardmembers should receive this training through their respective appointing agencies.

PUBLIC COMMENTS

None.

PUBLIC HEARING

2. Resolution No. 4-2016 approving a Purchase and Sale Agreement between the Successor Agency to the Redevelopment Agency for the City of South San Francisco and Miller Cypress SSF, LLC for the acquisition of Successor Agency owned parcels at 315 Airport Blvd., 401-421 Airport Blvd., 405 Cypress Ave., and 216 Miller Ave., for the construction of a new multi-family residential development (the former Ford Properties). (Ron Gerber, Housing Manager).

Public Hearing opened: 2:36 P.M.

Housing and Redevelopment Manager Gerber presented the staff report recommending approval of a resolution approving a Purchase and Sale Agreement between the Successor Agency to the Redevelopment Agency for the City of South San Francisco and Miller Cypress SSF, LLC for the acquisition of Successor Agency owned parcels at 315 Airport Blvd., 401-421 Airport Blvd., 405 Cypress Ave., and 216 Miller Ave., for the construction of a new multi-family residential development. His report recounted the various stages of negotiation on the deal. Assistant City Attorney Mattas reviewed valuations as well as purchase price and compensation.

Housing Consultant Sanchez outlined differences in valuation and community benefits payments, including the park in lieu portion of the deal. Boardmembers inquired about sale prices, density bonuses, affordable units, workforce housing, developer costs and community benefits allocations.

Boardmembers Christensen and Krause raised concerns over the community benefits portion of the deal. Specifically noting that the devaluation of the land price tied to the park in lieu fee payment community benefit requirement directly impacted the immediate benefit to their respective agencies, with the South San Francisco Unified School District (“SSFUSD”) being immediately impacted in the estimated amount of roughly \$3,000,000.

Boardmember Addiego advised that, although the park in lieu fee had been negotiated in this deal, it was not a standing or otherwise established City fee. Accordingly, he saw fit to reconsider its allocation in this circumstance.

Boardmember Farrales opined that the project would benefit the community in the long run and long term tax benefits would flow to the taxing entities as a result. Accordingly, she was not concerned about the initial revenue impact tied to the community benefits payment.

The Board determined that it did not want to reject the resolution authorizing the sale of the land so as not to delay the project, which would be a long term benefit to the community and taxing entities. However, it determined to put forth a motion recommending that the Council consider an allocation to the SSFUSD of the community benefits payment based on park in lieu fees.

Assistant City Attorney Mattas confirmed the Development Agreement could withstand edits to reflect specific dollar amounts assigned to certain taxing entities.

Public Hearing closed: 4:07 P.M.

Motion – Boardmember Addiego/Second – Vice Chair Krause: to approve Resolution No. 4-2016 as amended to authorize the Executive Director to enter into and execute the Purchase and Sale Agreement on behalf of the Successor Agency, in substantially the same form attached as Exhibit A; to make any revisions, amendments, or modifications, subject to review and approval of Successor Agency Counsel and Oversight Board Counsel, deemed necessary to carry out the intent of the Resolution and which would not materially alter or increase the Successor Agency’s obligations thereunder. Approved by the following vote: AYES: Boardmembers Addiego, Christensen, Farrales, and Gross, Vice Chair Krause and Chair Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Scannell.

Motion – Vice Chair Krause/Second – Boardmember Christensen: to approve a request that the City Council of the City of South San Francisco revisit the \$2.7 million portion of the community benefits payment attributable to a park in lieu fee payment and consider allocating a portion of it to the taxing entities and specifically the South San Francisco School District. Approved by the following vote: AYES: Boardmembers Addiego, Christensen, Farrales, and Gross, Vice Chair Krause and Chair Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Scannell.

City Manager Futrell recommended holding a study session on community benefits to determine a standard procedure on future purchase and sale agreements.

1. Resolution approving the form of a master agreement for taxing entity compensation for distribution of the net proceeds from the sale of properties conveyed to the City of South San Francisco consistent with the Long Range Property Management Plan between the City of South San Francisco and the County of San Mateo, South San Francisco Unified School District, San Mateo County Community College District, San Mateo County Flood Control District Colma Creek Flood Control Zone, Willow Gardens Parks and Parkways Maintenance District, San Mateo County Resource Conservation District, Bay Area Air Quality Management District, and San Mateo County Harbor District. (Ron Gerber, Housing Manager)

City Attorney Mattas presented the staff report recommending approval of a resolution approving the form of a master agreement for taxing entity compensation for distribution of the net proceeds from the sale of properties conveyed to the City of South San Francisco consistent with the Long Range Property Management Plan between the City of South San Francisco and the taxing entities. He advised that the Oversight Board was not a party to the agreement but that the various taxing entities with representation on the Board would be parties. The purpose of the agreement was to ensure a consistent mechanism for collecting and processing profits from selling nongovernmental-use properties through the Auditor Controller. Assistant City Attorney Mattas reviewed proposed changes to the agreement concerning the San Mateo County Harbor District, deed restrictions, net unrestricted funds and content changing procedures.

Public Hearing opened: 4:16 P.M.
Public Hearing closed: 4:17 P.M.

At the suggestion of Boardmember Christensen and in light of certain of the taxing entities concerns over the structure of the community benefits park in lieu fee portion of the current deal, the Board determined to hold off on considering the form of the Compensation Agreement until after the Council had an opportunity to consider the request made on the motion considered above at Item No.

2. Accordingly, this item would come back to the Board for consideration at a later date.

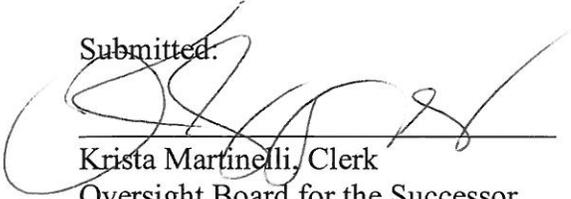
FUTURE AGENDA ITEMS

Chair Cullen requested that the 636 El Camino Real Revenue Sharing item be maintained as a Future Agenda Item.

ADJOURNMENT

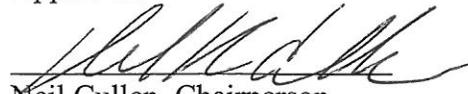
Being no further business the meeting was adjourned at 4:18 P.M.

Submitted:



Krista Martinelli, Clerk
Oversight Board for the Successor
Agency to the South San Francisco
Redevelopment Agency

Approved:



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