

CITY OF SANTA MONICA
REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT BOARD MINUTES
MONDAY, FEBRUARY 25, 2013

A special meeting of the Santa Monica Redevelopment Successor Agency Oversight Board was called to order by Chair Silvern at 6:02 p.m., on February 25, 2013 at Virginia Avenue Park, 2200 Virginia Avenue, Santa Monica.

Roll Call: Present: Chair Paul J. Silvern
Board Member Melody Kanschat
Board Member Randal Lawson
Board Member Lisa Luboff
Board Member Janece L. Maez
Vice Chair Robert Moran

Absent: Board Member David Dijkstra

Also Present: Director of Housing and Economic Development Andy Agle
Director of Finance Gigi Decavalles-Hughes
Deputy City Attorney Alan Seltzer
Board Secretary Denise Anderson-Warren

CONVENE

On order of Chair, the Oversight Board convened at 6:02 p.m., with Board Member Dijkstra absent.

CONSENT ITEMS
MINUTES

1-A: **The minutes** of January 2, 2013, were presented.

There was no one present for public comment.

Motion by Board Member Lawson, seconded by Board Member Maez, to approve the minutes as submitted. The motion was approved unanimously by voice vote, with Board Member Dijkstra absent.

1-B: **The minutes** of January 9, 2013, were presented.

There was no one present for public comment.

Chair Silvern noted a typographical correction on Page 2 of the minutes.

Motion by Board Member Kanschat, seconded by Vice Chair Moran, to approve the minutes, as amended. The motion was approved unanimously by voice vote, with Board Member Dijkstra absent.

REGULAR AGENDA

APPROVAL OF ROPS 13-14 A (JULY – DEC. 2013)

2-A: Approval of Recognized Obligation Payment Schedule (July - December 2013), was presented.

There was no one present for public comment.

Mr. Agle presented a summary of line items on the July-December 2013 ROPS 13-14 A as compared to items that appeared on previous Recognized Obligation Payment Schedules.

The Chair proposed for discussion purposes grouping the Recognized Obligation Payment Schedule line items into like categories and voting on the categories by item numbers and then approving the schedule in its entirety. There was a consensus from all Board Members present to proceed in this manner for voting.

Motion by Vice Chair Moran, seconded by Board Member Lawson, to approve items listed on Exhibit A of the Resolution as Bond related items which are listed as items 1 through 8. The motion was approved by the following vote:

AYES: Board Members Maez, Luboff, Lawson, Kanschat,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

Motion by Board Member Lawson, seconded by Board Member Luboff, to approve items listed on Exhibit A of the Resolution as items approved on previous ROPS, which are listed as items 11, 12, 13, 19, and 24.

The motion was approved by the following vote:

AYES: Board Members Kanschat, Lawson, Luboff, Maez,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

Motion by Board Member Kanschat, seconded by Board Member Maez, to approve items listed on Exhibit A of the Resolution, which are listed as items 25 - 28. The motion was approved by the following vote:

AYES: Board Members Maez, Luboff, Lawson, Kanschat,
Vice Chair Moran, Chair Silvern

NOES: None
ABSENT: Board Member Dijkstra

Motion by Vice Chair Moran, seconded by Board Member Lawson, to approve items listed on Exhibit A of the Resolution as Successor Agency Administrative costs, which are listed as items 30, 31, and 32.

Chair Silvern suggested substituting the total on line item 30 to a lower line item total amount to reflect the estimate of costs in the Successor Agency administrative budget rather than the 3% recommended maximum allowable amount.

Discussion ensued on the merits of whether to list the 3% maximum versus the lower estimated costs.

Questions were asked of staff regarding item 31, Litigation Services Fee and item 32, Successor Agency Office Space Rental Expenses. Staff responded to questions asked by the Board.

The motion was restated and approved by the following vote:

AYES: Board Members Kanschat, Lawson, Luboff, Maez,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

Motion by Board Member Lawson, seconded by Board Member Maez, to approve items listed on Exhibit A of the Resolution as items 20, 21, 22, Housing related items, previously denied by Department of Finance, and item 29, administrative budget for the monitoring costs.

AYES: Board Members Maez, Luboff, Lawson, Kanschat,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

Motion by Chair Silvern, seconded by Vice Chair Moran, to adopt Resolution No. 10 (SAS) entitled: "A RESOLUTION OF THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 2013 – DECEMBER 2013," including all the line items voted on of the ROPS and amendments to the notes schedule as recommended by counsel for the Successor Agency on Items 9, 10, and 16; and, change the dollar amount on line 30 to \$754,871.

The motion was approved by the following vote:

AYES: Board Members Kanschat, Lawson, Luboff, Maez,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

**APPROVAL OF ADMIN
BUDGET (JULY – DEC.
2013)**

2-B: Approval of the Successor Agency Administrative Budget (July – December 2013), was presented.

There was no one present for public comment.

Motion by Board Member Kanschat, seconded by Board Member Luboff, to adopt Resolution No. 11 (SAS) entitled: "A RESOLUTION OF THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING AND ADOPTING THE ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 2013 – DECEMBER 2013, INCLUSIVE." The motion was approved by the following vote:

AYES: Board Members Maez, Luboff, Lawson, Kanschat,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

**APPROVAL OF
HOUSING MONITORING
BUDGET (JULY – DEC.
2013)**

2-C: Approval of the Housing Successor Monitoring Budget (July – December 2013), was presented.

There was no one present for the public comment.

Motion by Board Member Maez, seconded by Board Member Lawson, to adopt Resolution No. 12 (SAS) entitled: "A RESOLUTION OF THE SANTA MONICA REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING AND ADOPTING THE HOUSING SUCCESSOR MONITORING BUDGET FOR THE PERIOD JULY 2013 – DECEMBER 2013, INCLUSIVE." The motion was approved by the following vote:

AYES: Board Members Kanschat, Lawson, Luboff, Maez,
Vice Chair Moran, Chair Silvern
NOES: None
ABSENT: Board Member Dijkstra

**FORMER
REDEVELOPMENT
AGENCY PROPERTIES**

2-D: Discussion of Former Redevelopment Agency (RDA) Properties, was presented.

Staff presented former Agency properties and identified which properties could be designated as governmental purpose properties and which should be addressed in the Property Management Plan.

- 1700 Main Street, Palisades Garden Walk (newly named Tongva Park) is under construction, designated and zoned as park land within the Civic Center Specific Plan, and a good candidate for governmental purpose designation. The park also includes 1673 Ocean Avenue; the estimated completion date is Fall 2013.
- Adjacent to Tongva Park is 1677 and 1683 Ocean Avenue, which have been designated as Olympic Drive right of way; the anticipated completion date is early 2014; this property will be a public street;
- 1657 Ocean Avenue is designated as a park-oriented restaurant on a month-to-month lease. The property is not likely to be considered as governmental use, but will have to wait until the Property Management Plan is prepared;
- 1665 Ocean Avenue is a public right of way, essentially an alley with public parking that serves the general area; the parking area could be addressed together with the restaurant in the Property Management Plan;
- "The Village" housing development is three sites subject to a 2008 disposition and development agreement; this development is under construction; Related California, in cooperation with Community Corporation of Santa Monica, are building these mixed-use residential developments with a combination of affordable housing, market-rate for-sale housing, and ground-floor retail space; these properties have long-term enforceable obligations and encumbrances, and would thereby not be included as part of the Property Management Plan; the estimated completion date is in early 2014;
- 1301-1333 4th Street properties were transferred to the city with the sale agreements including Seller approval rights for any transfers; the city has issued a Request for Proposals to develop the site; this is a very complex transaction that is fully encumbered with deeds of trusts; the developer selection process could be tied to the Property Management Plan;
- Downtown Parking Structures 1-8 – The Agency purchased Parking Structures 1-6 previously owned by the Parking Authority for the purpose of seismically retrofitting and rebuilding these parking structures; Structures 2, 4, and 5 have been seismically retrofitted; Structure 6 has been demolished and will be rebuilt by the city, without any agency funding; Structures 1 and 3, have not been seismically retrofitted;
- Parking Structures 1-6 have third-party encumbrances with long-term leases and certain lease covenants associated with the financing of these parking structures; parking structures were not built with Agency funds but rather primarily through assessments on the area properties;

- Parking Structures 7 and 8 – The agency was involved in the development of those parking structures and they are encumbered through long term leases with the owners of Santa Monica Place. Added complications for Parking Structures 1-6: the Department of Finance (DOF) has denied agency payments for purchasing them, there is a default pending, and thereafter they should revert back to the Parking Authority.
- Staff is considering declaring Parking Structures 1-6 as government use. The City of Santa Barbara was able to get DOF approval of declaring all of their Parking Structures as government purpose because the structures were not funded by the Agency and that they serve public purpose, which also applies to Parking Structures 1-6;
- 2701 Barnard Way – the RDA bought land in this area, some to redevelop and some to designate as park land; the city maintains the property. It provides a public access way through Sea Colony developments and because of this it is a candidate for government use;
- 2918, 3275, 3285, 3358 Barnard Way, and 110 Pier Avenue are various streets, medians, driveways, bike paths, and landscape parkways that are maintained by the City and should be considered as governmental purpose;
- 2018 19th Street is a single-lot that was bought for an affordable housing development. The non-profit agency decided not to move forward with the project, therefore quit claiming the property back to the agency; this property is something that likely would go under the Property Management Plan;

There was no one present for public comment.

Staff suggested bringing this item back at the next meeting for consideration to determine what should be designated as a governmental purpose properties.

On order of the Chair, the information was received and filed.

**SUCCESSOR AGENCY
UPDATE INFORMATION**

2-E: Update on Successor Agency Response to the Department of Finance Review of Former Redevelopment Agency Unencumbered Assets, was presented.

There was no one present for public comment.

Staff reported that a Petition for Writ of Mandate has been filed with the Superior Court against the Department of Finance (DOF), joining over sixty other similar lawsuits filed with the Superior Court on this matter. Currently Staff is waiting to see what the disposition is on these cases. The Non-housing Due Diligence Review was approved at the previous meeting and subsequently filed with the Department of Finance; the DOF

sent a follow-up request for information, staff replied with the relevant documents, and DOF plans to give a determination by the end of the month.

The Board questioned staff as to whether the DOF has responded to the city making a \$12 million payment, when the DOF demanded a \$55 million payment, and if there has been any withholding of property taxes or notice of payment. Staff responded to the Board that there have not been any withholdings or notices demanding any additional payment.

ADJOURNMENT

On order of the Chair, the Oversight Board meeting was adjourned at 7:18 p.m., with the next meeting to be determined due to observance of a religious holiday on March 25th.

ATTEST:



Denise Anderson-Warren
Secretary

APPROVED:



Paul J. Silvern
Chair