



Thursday, September 12, 2013

A Special Meeting of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Alternate Vice Chairperson Archuleta called the meeting to order at 4:30 p.m.

**PRESENT:** Bates, Moreno, Galindo, Archuleta (Kreimann arrived at 4:50 p.m.)

**ABSENT:** Santana, Faustinos

**PLEDGE OF ALLEGIANCE:** Alternate Vice Chairperson Archuleta

**PUBLIC COMMENTS:** None.

**AGENDA ITEMS:**

**1. Minutes.**

Motion by Boardmember Bates, seconded by Alternate Vice Chairperson Archuleta to approve special meeting of Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency minutes of January 10, 2013 and February 27, 2013. Motion failed due to lack of quorum.

**AYES:** Bates, Moreno, Archuleta

**NOES:** None

**ABSENT:** Faustinos, Kreimann, Santana

**2. Agreement for Independent Counsel**

Boardmember Archuleta inquired about the reduction in insurance requirements for independent counsel from \$5,000,000 to \$1,000,000. After a brief discussion, board members concurred with the current recommendation of \$1,000,000 as the industry standard for this type of coverage.

Motion by Boardmember Moreno, seconded by Boardmember Bates to approve the engagement agreement among The Law Offices of Edward Z. Kotkin, and the Oversight

Board of the Successor Agency to the Pico Rivera Redevelopment Agency. Motion failed due to lack of quorum.

Agreement No. OB-002

**AYES:** Bates, Moreno, Archuleta

**NOES:** None

**ABSENT:** Faustinos, Kreimann, Santana

**3. Change Regular Meeting Schedule for the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency.**

Motion by Boardmember Bates, seconded by Boardmember Moreno for the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency (“Oversight Board”) to change the schedule for regular meetings to the fourth Thursday of every February and September at 4:30 p.m. Motion failed due to lack of quorum.

**AYES:** Bates, Moreno, Archuleta

**NOES:** None

**ABSENT:** Faustinos, Kreimann, Santana

**4. Long-Range Property Management Plan.**

Assistant City Manager Matsumoto stated that AB 1484 requires that after a Successor Agency obtains a finding of completion from the Department of Finance (DOF) that within 6-months the Agency is to submit a Property Management Plan to the DOF. He stated that the Agency received their finding of completion in late April, so in October the Property Management Plan is due to the DOF. After this Board approves the plan, he stated, it must be submitted to the DOF for their approval. He stated if the DOF does not approve the plan it may need to be amended and added that the report was prepared by RSG, the Agency’s redevelopment consultant. He further stated that the Agency does not have a lot of redevelopment property. Assistant City Manager Matsumoto stated that Attachment No. 1 has the summary of the long-range property management plan. He stated the first three properties are recommended for transfer to the City. The first two, he stated, are parking at two of the city’s parks and the third is portions of Streamland Park. He added that the recommendation for the last three properties, Burke Street, the train track and 8631 Beverly Boulevard, is to sell those properties with the proceeds going to the County and then to other taxing entities.

Boardmember Bates add that on items 1 and 2, makes reference to a few parking spots and the majority of Streamland Park is already in a long term lease with the Army Corps of Engineers and is zoned for open space. Boardmember Moreno concurred with the Successor Agency recommendation.

Motion by Boardmember Bates, seconded by Boardmember Moreno to adopt Resolution No. OB-13-13 of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency approving the Successor Agency to the Pico Rivera Redevelopment Agency's Long-Range Property Management Plan ("LRMP"). Motion carries by the following roll call vote:

Resolution No. OB-13-13 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, APPROVING THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN

**AYES:** Bates, Kreimann, Moreno, Archuleta

**NOES:** None

**ABSENT:** Faustinos, Santana

**5. Recognized Obligation Payments Schedule 13-14B; Administrative Budget January through June 2014; and SERAF Loan Repayment Schedule.**

Assistant City Manager Matsumoto stated that these are the ROPS that are required by law to be adopted and submitted to the Department of Finance (DOF) at least 90-days prior to receipt. He stated that there are some differences from the prior ROPS and proceeded saying that with the City loans, the DOF took the position that the loans were not enforceable obligations, but AB 1484 provides that the loans can be enforceable obligations and added back to the ROPS after obtaining a finding of completion and the Oversight Board finds that the loans are for legitimate redevelopment purposes. He stated that this Board made those findings last year and the City received the DOF finding of completion, therefore they are back on the ROPS. Agency staff, he stated, has removed the County deferral from the ROPS, which was reviewed by the Successor Agency Attorney, and pointed out to staff that the County deferral is a creature of the pass through agreement and therefore should not have been included on the ROPS. He further stated that both the Successor Agency Attorney and Oversight Board Attorney concur to remove the deferral from the ROPS because it is a creature of the pass through agreement.

Successor Agency Attorney Cardinale explained that Dissolution Act AB 1484 and AB 1X26 treat pass through agreements differently than other enforceable contracts. He stated that enforceable obligations are listed in 34171(d)1, it lays forth seven (7) separate categories of agreements. Pass through agreements, he stated, are treated separately. Because they are treated separately, he stated, there is no reason to include them on the ROPS as a separate payment item. He continued saying the law makes specific allowances for pass through agreements. The deferral, he stated, is exactly what the agreement is entitled, a deferred pass through agreement. It's the opinion of his office, he stated, that it should be treated under that section as opposed to a ROPS item.

Boardmember Kreimann said he disagreed. He stated that it is an agreement that was reached between the City and the County that was separate and apart from the pass through, and that the deferral has nothing to do with the pass through. He stated that they are two separate and distinct issues; one is a loan, not a pass through, and that it is an enforceable obligation and stated that he insist that the item be put back on the schedule with some nominal amount.

Boardmember Kreimann motioned to return the County deferral loan payment back on to the ROPS with a nominal dollar amount \$200,000 and include it in the ROPS so that the Board could get a determination from the DOF whether or not it is an enforceable obligation and direct staff or the attorney's to ask the question, seconded by Boardmember Moreno.

Boardmember Bates made a substitute motion to approve the staff recommendation.

Boardmember Kreimann withdrew his earlier motion and motioned to include the County loan payment on the ROPS with a footnote identifying that this particular item the Successor Agency staff and counsel are unclear if it is an enforceable obligation and would like the DOF to make the determination.

Boardmember Bates made a substitute motion to take off the dollar amount on the loan.

After some discussion among the Board members and counsel, Board members concluded to add the County deferral with a \$10,000 amount and a footnote indicating that legal counsel are not certain of the enforceable nature of this particular obligation, and seek the DOF determination as to whether or not it belongs on the ROPS.

Motion by Boardmember Kreimann, seconded by Boardmember Moreno to adopt the Resolution No. OB-13-14 of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency establishing the Recognized Obligation Payments

Scheduled 13-14B (ROPS) subject to amendment per direction of the Oversight Board for January through June 2014; approving the Administrative Budget for January through June 2014; and approving the projected Supplemental Education Revenue Augmentation Fund (SERAF) loan repayment schedule. Motion carries by the following roll call vote:

Resolution No. OB-13-14 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 34180 AND 34117, ESTABLISHING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 13-14B FOR JANUARY THROUGH JUNE 2014, APPROVING THE ADMINSTRATIVE BUDGET FOR JANUARY THROUGH JUNE 2014, AND APPROVING THE PROJECTED SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND LOAN REPAYMENT SCHEDULE

**AYES:** Bates, Kreimann, Moreno, Archuleta

**NOES:** None

**ABSENT:** Faustinos, Santana

**PUBLIC COMMENTS:** None.

**OTHER ITEMS:** None.

**ADJOURNMENT:**

Alternate Vice Chairperson Archuleta adjourned the meeting at 5:29 p.m. There being no objection it was so ordered.

**AYES:** Bates, Kreimann, Moreno, Archuleta

**NOES:** None

**ABSENT:** Faustinos, Santana

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Chairperson, Belinda Faustinos

**ATTEST:**

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Anna M. Jerome, City Clerk

I hereby certify that the foregoing is a true and correct report of the proceedings of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency special meeting dated September 12, 2013, and approved by the Oversight Board on February 24, 2014.

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Anna M. Jerome, City Clerk