

**LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD
MINUTES
APRIL 16, 2013**

CALL TO ORDER

Chair Brubaker called the meeting to order at 4:00 p.m.

ROLL CALL

PRESENT: Board Members: Brewington, Levin, Smith, Vose, Walker, Chair Brubaker

ABSENT: Board Member: Vice Chair Vierra,

STAFF

MEMBERS: Assistant to the Executive Director; Finance Director; Economic Development Director; City Clerk

PLEDGE OF ALLEGIANCE

Board Member Brewington

AGENDA ITEMS TO BE REMOVED

None

UPDATE ON HOUSING ASSET TRANSFER

The Finance Director presented an update on the Housing Asset Transfer Form. AB1484 required an extensive report of all assets transferred from former Low Moderate Income Housing Fund (LMIHF) to Lancaster Housing Authority be filed with Department of Finance (DOF). In late August, the DOF issued a letter stating they objected to essentially all of the real property transfers, which included all of the homes and vacant land acquired over the years by the Housing Division of the former Lancaster Redevelopment Agency. Housing and Neighborhood Revitalization and Finance staff worked tirelessly with DOF staff to prove these transfers were permitted by law. Many hours were spent gathering data and documents in order to justify these transfers. The City received a final determination letter from the DOF allowing 289 of the 293 real property transfers. The 4 disallowed properties are parking lots, the disposition of which will be handled by the Lancaster Successor Agency. This is a huge victory for the citizens of this community and another major obstacle in the wind-down of redevelopment.

Board Member Levin requested clarification regarding the four properties that will remain with the Successor Agency.

The Finance Director stated that as part of the dissolution process, staff will bring forward to the Oversight Board for consideration, the Property Management Plan. As part of the Property Management Plan, each and every property will be reviewed and based on what the law allows, it will then be determined what the best course of action for that property will be. For example – the property may be sold as a private property; held for future development; transferred to another agency. This is progressing and the Plan will be brought to the Board over the next few months.

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REGULAR MEETING MINUTES
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M 1. MINUTES

On a motion by Board Member Levin and seconded by Board Member Walker, the Lancaster Successor Agency Oversight Board adopted **Resolution No. OB 07-13**, approving the Lancaster Successor Agency Oversight Board Special Meeting minutes of February 26, 2013, by the following vote: 6-0-0-1; AYES: Brewington, Levin, Smith, Vose, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Vierra

NB 1. LOAN BETWEEN THE LANCASTER SUCCESSOR AGENCY AND THE CITY OF LANCASTER FOR ENFORCEABLE OBLIGATIONS FOR THE PERIOD JANUARY – JUNE 2013

The Finance Director presented the staff report regarding this matter.

Board Member Vose requested clarification regarding what the benefits will be if Cardlock Fuels System, Inc. remains in the City.

The Finance Director stated that the benefit is, that Cardlock Fuels System, Inc. would stay in the City and will generate a great deal of sales tax revenue for the City.

On a motion by Board Member Walker and seconded by Board Member Smith, the Lancaster Successor Agency Oversight Board adopted **Resolution No. OB 08-13**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for enforceable obligations for the period January to June 2013 pursuant to H & S Code Section 34173(h), by the following vote: 6-0-0-1; AYES: Brewington, Levin, Smith, Vose, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Vierra

NB 2. LOAN AMORTIZATION SCHEDULE FOR THE LOAN FROM THE CITY OF LANCASTER TO THE LANCASTER SUCCESSOR AGENCY FOR ADMINISTRATIVE EXPENSES FOR THE PERIOD JULY – DECEMBER 2012

The Finance Director presented the staff report regarding this matter.

Board Member Walker requested clarification regarding the reduction of \$262,000 to \$184,000 and if this would be reflected in a revised ROPS at some point in the future.

The Finance Director stated that based on an allowance of the total other obligations approved in that period, the maximum allowance for administration between July-December, 2012 would have been \$262,242 based on 3%. There were actually no property tax funds available to be distributed by the County for administrative expenses which is why a loan was made by the City of Lancaster to cover those costs. The difference between the two is not considered an obligation and would not appear on future ROPS because only \$175,000 has been expended.

Board Member Walker requested clarification regarding the original amount for the Promissory Note and was it a recognized obligation.

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NB 2. LOAN AMORTIZATION SCHEDULE FOR THE LOAN FROM THE CITY OF LANCASTER TO THE LANCASTER SUCCESSOR AGENCY FOR ADMINISTRATIVE EXPENSES FOR THE PERIOD JULY – DECEMBER 2012 (continued)

The Finance Director stated that the actual Promissory Note was not and the actual loan amount on the ROPS would be \$184,000 because it is the amount of the loan plus the estimated interest payments.

Board Member Vose stated that assuming the Financial Forecast of 2018 stays in place, that is when it is likely that funds could be distributed to taxing agencies.

The Finance Director stated that the way that the legislation is spelled out and loans can be repaid to the City, is that it can begin to be repaid once there are excess funds available to other taxing entities. The City would only be eligible for 50% of what is available to other taxing entities from the prior period. There needs to be excess funds available in a prior period and then the next period, the City would be eligible to pay for loans up to 50% of that amount.

Board Member Vose stated that if a spread sheet was to be created with what the obligations are, by the time the Agency gets to 2018 there could be millions of dollars owed to the City.

The Finance Director stated that this is possible. With the finding of completion, the legislation does allow that loans that were made to the former Redevelopment Agency could then once again be recognized enforceable obligations of the Successor Agency. Once the finding of completion is received, staff would return to the Oversight Board for consideration of those former loans in order for them to be enforceable obligations of the Agency and that would certainly be in the millions of dollars.

On a motion by Board Member Levin and seconded by Board Member Walker, the Lancaster Successor Agency Oversight Board adopted **Resolution No. OB 09-13**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for administrative expenses pursuant to H & S Code Section 34173(h) and 34191.4(b)(2), by the following vote: 6-0-0-1; AYES: Brewington, Levin, Smith, Vose, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Vierra

NB 3. TRANSFER OF FUNDS FROM CITY OF LANCASTER TO LANCASTER SUCCESSOR AGENCY AND PAYMENT TO THE LOS ANGELES COUNTY AUDITOR-CONTROLLER

The Finance Director presented the staff report regarding this matter.

Board Member Vose clarified that by the action of the Board, the Department of Finance will then review for final approval.

The Finance Director stated that this is a good step and it is one of those outstanding items that needs to be completed in order to achieve the finding of completion. The last remaining outstanding item is in relation to the true-up payment that was demanded of the City in July for \$5.7 million. There was a meet and confer with the Department of Finance approximately two weeks ago and a settlement is expected in favor of the City very soon. This would be the last item that needs to be closed and then the work on the Property Management Plan can begin and be submitted for approval.

On a motion by Board Member Vose and seconded by Board Member Brewington, the Lancaster Successor Agency Oversight Board adopted **Resolution No. OB 10-13**, approving a transfer in the amount of \$118,244 from the City of Lancaster to the Lancaster Successor Agency for disallowed transfers as a result of Department of Finance Review of the Other Funds Due Diligence Review and ratify payment of \$118,244 to Los Angeles County Auditor-Controller made on March 13, 2013, by the following vote: 6-0-0-1; AYES: Brewington, Levin, Smith, Vose, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Vierra

EXECUTIVE DIRECTOR ANNOUNCEMENT

The Assistant to the City Manager announced that this weekend (April 20-21, 2013) is the California Poppy Festival and encouraged everyone to come out, bring their families and enjoy what the City has to offer.

CITY CLERK /AUTHORITY SECRETARY ANNOUNCEMENT

The City Clerk stated that there were no speakers from the audience.

BOARD MEMBER COMMENTS

Board Member Walker commended staff for their clarity of information; presentation of the history and appreciates all the work that goes into this information.

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ADJOURNMENT

Chair Brubaker adjourned the meeting at 4:21 p.m. and stated that next regular meeting of the Lancaster Successor Agency Oversight Board would take place on Tuesday, May 21, 2013 at 4:00 p.m.

PASSED, APPROVED and ADOPTED this 21st day of May, 2013, by the following vote:


AYES: Board Members: Levin, Smith, Vose, Walker, Chair Brubaker

NOES: None


ABSTAIN: None

ABSENT: Board Member: Brewington, Vice Chair Vierra

ATTEST:


GERI K. BRYAN, CMC
City Clerk
Lancaster, CA

APPROVED:


ELIZABETH BRUBAKER
Chair
Lancaster Successor Agency
Oversight Board

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss
CITY OF LANCASTER }

CERTIFICATION OF MINUTES
LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD

I, _____, _____ of the City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Lancaster Successor Agency Oversight Board minutes, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this _____ day of _____, _____.

(seal)
