

**SPECIAL MEETING AGENDA**

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED EL MONTE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF EL MONTE**

**City of El Monte  
City Council Chambers  
City Hall East  
11333 Valley Boulevard  
El Monte, California 91731**

**Thursday, August 30, 2012  
4:00 P.M.**

**(Call for Special Meeting on August 30, 2012  
Issued by the Chair of the Oversight Board)**

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**Members of the Oversight Board**

Andre Quintero, City of El Monte, Chair  
Raul Alvarez, County of Los Angeles, Vice-Chair  
Velma Perdomo, County of Los Angeles  
Kris Olafson, El Monte City School District  
Martha Jimenez, Los Angeles County Library District  
Osvaldo Peña, City of El Monte  
Norma Garcia, Community College District's Member

**CITY STAFF PRESENT AT MEETING**

René Bobadilla, P.E., City Manager  
Damien Arrula, Economic Development Director  
David F. Gondek, Senior Deputy City Attorney  
Julio Morales, Director of Finance  
James Enriquez, P.E., Director of Public Works/City  
Engineer

## **ORAL COMMUNICATION**

### **PUBLIC COMMENT REGARDING NON-AGENDIZED MATTERS:**

This time has been set aside for persons in the audience to make comments or inquiries on matters within the general subject matter jurisdiction of the Oversight Board that are not listed on this agenda. Although no person is required to provide their name and address as a condition to attending an Oversight Board meeting, persons who wish to address the Board are asked to state their name and address. Each speaker will be limited to three (3) continuous minutes. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons.

Except as otherwise provided under the Brown Act (Government Code Section 54950 *et seq.*), the Board may not deliberate or take action upon any matter not listed on this posted agenda but may order that any such matter be placed on the agenda for a subsequent meeting. The Board may also direct staff to investigate certain matters for consideration at a future meeting.

All comments or queries presented by a speaker shall be addressed to the Board as a body and not to any specific member thereof. No questions shall be posed to any member of the Board except through the presiding official of the meeting, the Chair and/or Vice-Chair. Members of the Board are under no obligation to respond to questions posed by speakers but may provide brief clarifying responses to any comment made or questions posed. The Board may not engage in any sort of prolonged discussion or deliberation with any speaker or group of speakers on matters that are not listed on this agenda.

**Enforcement of Decorum:** The Chief of Police, or such member, or members of the Police Department as the Chief of Police may designate, shall serve as the Sergeant-at-Arms of any Oversight Board meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. While members of the public are free to level criticism of Board policies and the action(s) or proposed action(s) of the Board or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including, but not limited to, conduct that prevents other members of the public from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting must adhere to the Board's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation or age.

## **PRESENTATIONS**

NONE

## **NEW BUSINESS**

1. Approval of Minutes

Special Meeting of August 2, 2012

2. Consideration and Approval by Oversight Board of Recognized Obligation Payment Schedule for the former El Monte Community Redevelopment Agency (ROPS-3: January 1, 2013 – June 30, 2013)

Adoption of Resolution of the Oversight Board Approving ROPS-3

3. Discussion Item - Review of Procedure for Preparation of Oversight Board Agenda Materials and Scheduling of Meetings
4. Oversight Board Member Comments

## **ADJOURNMENT**

The next regular Oversight Board meeting will take place on Thursday, September 6, 2012, at El Monte City Hall – East, City Council Chambers, 11333 Valley Boulevard, El Monte, California.

This Agenda will be posted on the City's website, [www.ci.el-monte.ca.us](http://www.ci.el-monte.ca.us), and physically posted as of not less than 72 hours prior to the start of the subject meeting. Although it is the City's practice and desire to electronically post a copy of this Agenda *along with* supporting material as part of its website posting, the size or formatting of certain supporting materials may render their website posting infeasible. Nevertheless, all supporting materials related to any item on this Agenda, that is made available to the members of the Board may be inspected by members of the public at the Secretary's Office located at 11333 Valley Boulevard, El Monte, Monday through Thursday, 7:30 am – 5:30 pm. For more information, please call the Secretary's Office at (626) 580-2016.

All public meetings and events sponsored or conducted by the City of El Monte are held in sites accessible to persons with disabilities. Requests for accommodations may be made by calling the office of the Secretary at (626) 580-2016 at least three (3) working days prior to the event, if possible. This Agenda and copies of documents distributed at the meeting are available in alternative formats upon request.

*Posted: To City of El Monte Website on August 28, 2012*

**SPECIAL MEETING MINUTES  
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED EL MONTE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF EL MONTE  
City of El Monte  
City Council Chambers  
City Hall East  
11333 Valley Boulevard  
El Monte, California 91731  
Thursday, August 2, 2012  
3:00 P.M.**

1. **CALL TO ORDER:** Chairman Quintero.

2. **FLAG SALUTE:** Chairman Quintero.

3. **ROLL CALL**

**Members of the Oversight Board**

Present: Andre Quintero, City of El Monte, Chair  
Raul Alvarez, County of Los Angeles, Vice-Chair  
Velma Perdomo, County of Los Angeles  
Kris Olaffson, El Monte City School District  
Martha Jimenez, Los Angeles County Library District  
Osvaldo Peña, City of El Monte

Absent: Norma Garcia, Community College District's Member

**CITY STAFF PRESENT AT MEETING –**

René Bobadilla, P.E., City Manager  
Damien Arrula, Economic Development Director  
David F. Gondek, Senior Deputy City Attorney  
Julio Morales, Director of Finance  
James Enriquez, P.E., Director of Public Works/City Engineer

4. **ORAL COMMUNICATION:** None.

5. **PRESENTATIONS:** None.

August 2, 2012

## 6. NEW BUSINESS

### 1. Approval of Minutes

**A motion was made by Krist Olaffson, seconded by Vice-Chairman Raul Alvarez,** to approve the minutes for the Special Meeting of June 21, 2012, Martha Jimenez voiced her concern regarding the June 21, 2012 Special Meeting minutes to including the added language on page 3, “for staff to proceed with an appraisal with Kurt Goeppner specifically for the In & Out project and select a list of qualified appraisers for future sale”. The motion carried 6-0.

### 2. Selection of Oversight Board Sub-Committee to review appraiser proposals and conduct interviews for selection of an appraiser or establishment of a bench list of appraisers for the disposition of former El Monte Community Redevelopment Agency properties

Chairman Quintero read into the record the title for Item 2.

Oversight Board Member Martha Jimenez, Oversight Board Member Osvaldo Pena and Oversight Board Chairman Andre Quintero volunteered for the Oversight Board Sub-Committee.

In response to Economic Development Director Damien Arrula, Oversight Board Member Martha Jimenez stated, on behalf of the Oversight Board Committee, they would like a bench list of appraisers established, so that depending on the type of property they can make a good decision.

The Oversight Board Members and staff discussed how having a bench list of appraisers can save the City of El Monte money.

### 3. Background on the Santa Fe Trail Holdings Project

Oversight Board Chairman Andre Quintero read into the record the title for Item 3.

Economic Development Director Damien Arrula presented a PowerPoint entitled *Property Exchange Agreement City and Santa Fe Holdings, LLC*, which included slides titled: Parcel Ownership – Being Processed; Without Parcel; With Parcel; Other Considerations; and Staff Recommendation.

Oversight Board Member Martha Jimenez, stated she did not believe that currently the Oversight Board had the power to approve the recommendations requested by staff.

*August 2, 2012*

Oversight Board Special Legal Counsel John Cavanaugh stated the Oversight Board and staff would receive some guidance soon to better understand this process, but that there is a provision in the law regarding the cash and uncash assets from the former Community Redevelopment Agency. He stated there is a process that can occur, and he believes this transaction is unclear and he recommends they hold off on this item until there is more clarity on this issue.

Julio Morales, Finance Director stated there has been a shortfall of cash funding, so all the available cash including moneys that are nonrestrictive assets were used to pay debts of some of the bonds. He stated now because of past accounting, in order to pay some the debts the land might need to be sold. He also stated the order of debts that need to be paid. He stated the plan to repay it is to repay the deposit, the purchase of land and then Community Development Block Grant (CDBG).

Oversight Board Vice-Chairman Raul Alvarez voiced his concern regarding the Oversight Board having a full assets list before moving forward on this item and come up with a strategy.

Request was made by the Oversight Board to Julio Morales, Finance Director to share information regarding these properties.

Julio Morales, Finance Director provided the Oversight Board with a list of the balance sheet including land held for resale that adds up to \$8,312,639 and individual detail for the properties. He stated there are two types of assets: low mod housing assets and other land that is not low mod housing.

Oversight Board Chairman Andre Quintero stated the Oversight Board has not developed a plan yet for this item, but he understands that the Oversight Board would like to have a plan before moving forward and Staff has properties that they need to move forward with.

Oversight Board Vice-Chairman Raul Alvarez stated he believes everything is urgent at this time, and he believes that there needs to be a plan even when items are urgent.

Oversight Board Member Martha Jimenez stated her concern regarding what the Oversight Board is capable of doing under the law, having the public aware of the meetings, and the importance of a plan for this item. She feels the Oversight Board needs to better understand what their duties are before they can move forward.

*August 2, 2012*

Oversight Board Special Legal Counsel John Cavanaugh stated the law has changed since the former successor agency, and the Oversight Board will need more of a plan and information before moving forward and he will be working with them on that.

Economic Development Director Damien Arrula suggested for Oversight Board Special Legal Counsel John Cavanaugh, David Gondek, Senior Deputy City Attorney and staff get together to discuss 1484 and the questions and concerns regarding looking at the whole picture. He stated they can come up with what process 1484 needs to move forward on these projects and to outline the process. He hoped this could happen by September 4, 2012.

Julio Morales, Finance Director discussed the list of properties, stating there are three types of property: festival property, non-festival property and low mod housing. The festival property are worth the most, and the other properties are not worth as much.

Economic Development Director Damien Arrula stated the low mod assets are not for disposition with 1484, and Finance Director Julio Morales stated the festival properties are worth the most profit.

Oversight Board Chairman Andre Quintero suggested this item be tabled till more information can be given regarding it and a process is made.

Oversight Board Member Martha Jimenez commented on the item, stating the issue with this item is the legal requirement to go through different phases.

Julio Morales, Finance Director suggested ranking the properties and then disposing of the assets.

Oversight Board Chairman Andre Quintero stated there needs to be an articulate process in accordance with the law for that to be done.

The Oversight Board agreed that selling the properties might be the goal, but there is a process that needs to be followed.

Ryan Shay, with Festival Companies, the general partner of Santa Fe Holdings, asked the Finance Director Julio Morales about the amount stated earlier in regards to the value.

Julio Morales, Finance Director stated that amount is the book value.

Mr. Shay stated most of the properties were bought during the peak of the market, so most of the land was purchased at 4 or 5 times the value it is

*August 2, 2012*

today. He stated the amount is drastically lower in today's value, in his opinion. He stated their goal is for this project to be done, so even when there is a process being made this can still move forward.

- 4. Authorization to negotiate an agreement with Santa Fe Holdings, LLC for the sale and disposition of a certain parcel located within the lands designated as the Santa Fe Trail Holdings Project; and for Santa Fe Holdings, LLC to assist in the appraisal costs associated with the eventual disposition of former said parcel in an amount not to exceed \$2,500**

**A motion was made by Martha Jimenez, seconded by Chairman Andre Quintero**, to direct staff to take item off calendar, for Council to come back with exact directions for this item, and for the meeting suggested by Economic Development Director Damien Arrula. The motion carried 6-0.

- 5. Receive and file a letter to the California State Department of Finance (DOF) from the Successor Agency to the former El Monte Community Redevelopment Agency to request an extension on the August 1, 2012 deadline submittal of a list of housing assets to DOF.**

Oversight Board Chairman Andre Quintero read into the record the title for Item 5 and deferred to staff.

Economic Development Director Damien Arrula stated this item is for the Oversight Board to receive and file, but there has not been enough time to meet all the dead lines set by 1848 and are asking for an extension.

In response to Oversight Board Member Martha Jimenez's question, Economic Development Director Damien Arrula stated this letter was sent before the dead line. It includes the list, but in a different format. And that the Oversight Board will be provided with a copy of the letter in the next meeting.

**A motion was made by Martha Jimenez, seconded by Velma Perdona**, to receive and file this item. The motion carried 6-0.

- 6. Oversight Board Member Comments**

In response to Oversight Board Vice-Chairman Raul Alvarez's question, Economic Development Director Damien Arrula stated there is a recommendation for the meeting to adjourn to a special meeting on August 23, 2012.

*August 2, 2012*

David Gondek, Senior Deputy City Attorney stated August 23, 2012 is the meeting date being looked at, for which staff would have more materials available for submission for the Oversight Board. He stated if that date is not available, another one should be discussed.

The Oversight Board and staff discussed a meeting time for the next special meeting for the Oversight Board.

David Gondek, Senior Deputy City Attorney stated, in response to Martha Jimenez's question, that the agendas for the Oversight Board meetings are needed to be posted in advance for the meetings. He stated the meeting is considered a special meeting because the agenda had not been posted in time.

Economic Development Director Damien Arrula stated this meeting was considered a Special Meeting because there had been a motion for the staff to go "dark" for August.

Oversight Board Member Martha Jimenez asked for the agendas to be posted with more than 24 hours till the meeting if possible.

## **7. ADJOURNMENT**

**A motion was made by Martha Jimenez, seconded by Vice-Chairman Raul Alvarez, to adjourn the meeting to the Special Meeting August 23, 2012 at 3:00 p.m. The motion carried 6-0.**

The next regular Oversight Board meeting will take place on Thursday, September 6, at El Monte City Hall – East, City Council Chambers, 11333 Valley Boulevard, El Monte, California.

**CITY OF EL MONTE - RDA SUCCESSOR AGENCY**

2013-A ROPS Cash Flow Projections

<b>Tax Increment Revenues</b>	6/6/2012	<b>\$ 1,683,036</b>
Replenish DSR 2007 TABs	6/7/2012	564,000
2010 Lease Revenue Bonds	8/1/2012	480,428
AB 1484	7/6/2012	343,610
Admin Expense (50%)	12/30/2012	125,000
LA County Loan	12/1/2012	57,000
2007 TABs	12/1/2012	<u>607,200</u>
<b>TOTAL 2012B ROPS</b>		<b>\$ 2,177,238</b>

**Projected Shortfall** **\$ (494,202)**

**2013A ROPs**

Pass-Throughs Not Withheld	1/4/2012	410,000
Replenish DSR 2007 TABs	1/4/2012	494,202
2010 Lease Revenue Bonds	2/1/2013	661,468
Admin Expense (50%)	12/30/2012	125,000
2007 TABs	12/1/2012	1,382,200
Nelson Job Grant		<u>50,000</u>
<b>TOTAL 2012B ROPS</b>		<b>\$ 3,122,870</b>

***Estimated Tax Increment Revenues*** **\$ 2,665,000**  
 (LA County estimate 8/17/12)

**Projected Shortfall** **\$ (457,870)**

**Successor Agency Contact Information**

Name of Successor Agency: City of El Monte  
County: Los Angeles

Primary Contact Name: Julio Morales  
Primary Contact Title: Finance Director  
Address: City Hall East 11333 Valley Boulevard, El Monte, CA 91731-3293  
Contact Phone Number: 626-580-2026  
Contact E-Mail Address: [jmorales@elmonteca.gov](mailto:jmorales@elmonteca.gov)

Secondary Contact Name: \_\_\_\_\_  
Secondary Contact Title: \_\_\_\_\_  
Secondary Contact Phone Number: \_\_\_\_\_  
Secondary Contact E-Mail Address: \_\_\_\_\_

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: City of El Monte

		Total Outstanding Debt or Obligation
<b>Outstanding Debt or Obligation</b>		<b>\$ 193,593,009</b>
<b>Current Period Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
A	Available Revenues Other Than Anticipated RPTTF Funding	995,466
B	Enforceable Obligations Funded with RPTTF	2,195,654
C	Administrative Allowance Funded with RPTTF	125,000
D	Total RPTTF Funded (B + C = D)	2,320,654
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>		\$ 3,316,120
E	Enter Total Six-Month Anticipated RPTTF Funding	
F	Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$(2,320,654)
<b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))</b>		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	
H	Enter Actual Obligations Paid with RPTTF	
I	Enter Actual Administrative Expenses Paid with RPTTF	
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	0
K	<b>Adjustment to RPTTF</b>	<b>\$ 2,320,654.00</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

\_\_\_\_\_  
Name  
Title

\_\_\_\_\_  
Signature  
Date





