

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION**

**CITY OF WEST HOLLYWOOD
PLUMMER PARK, COMMUNITY CENTER
ROOM 6
7377 SANTA MONICA BOULEVARD
WEST HOLLYWOOD, CALIFORNIA 90046**

Thursday, July 11, 2013

2:00 p.m.

AUDIO LINK FOR THE ENTIRE MEETING (13-3381)

Attachments: [Audio](#)

I. CALL TO ORDER

Vice Chair Zimmerman called the meeting to order at 2:06 p.m.

II. ROLL CALL

Ivonne Evelyn Umana, Administrative Staff, called the roll:

**Present: Board Members Paul Arevalo, Tsilah Burman,
Yvonne Quarker and Vice Chair Martin Zimmerman**

**Absent: Board Members David Flaks, Megan Reilly and
Madeline Roachell**

III. STAFF COMMUNICATIONS

- 1. This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board. (13-3219)**

John Leonard, Senior Management Analyst, Department of Finance and Technology Services, introduced: Yvonne Quarker, newly appointed member by the Mayor from the employee organization representing the largest number of former Redevelopment Agency (RDA) employees; and David King, with the City Attorney's office, who replaced Robert Smith former representative from the City Attorney's office to the City of West Hollywood.

Mr. Leonard proceeded to provide a verbal report on the following correspondence received from the Department of Finance (DOF):

On April 5, 2013, the DOF approved the Other Funds and Accounts Due Diligence Review, and submitted payment of \$1,243,997 five days later for distribution to the affected taxing entities. Mr. Leonard further informed that with the payment submitted it satisfied all the requirements for the Finding of Completion:

- **On April 15, 2013, the DOF approved all of the items listed on ROPS 13-14A, with the next ROPS 13-14B to be submitted to the DOF by October 1, 2013. The Oversight Board would be presented ROPS 13-14B for review and action at the September 26, 2013 meeting.**
- **On April 26, 2013, the DOF Finding Completion was granted received providing the Successor Agency to the following:**
 - **Place Loan agreements between the former RDA and sponsoring entity on the ROPS, as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes;**
 -
 - **Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants; and**
 -
 - **Prepare the Long-Range Property Management Plan (LRPMP) to DOF for review and approval within six-months from the date of this letter, which would be October 26, 2013. The LRPMP would be presented to the Oversight Board for review and action at the September 26, 2013 meeting.**

Vice Chair Zimmerman inquired if the items denied from prior ROPS can be presented to the DOF for reconsideration. Mr. Leonard responded that the prior denied items cannot be placed back onto the ROPS for reconsideration.

Board Member Burman commented that at the prior meeting it was informed that some Cities were pursuing to place denied items for reconsideration on the ROPS and were leaning to litigation. Mr. Leonard, confirmed Board Member Burman comments, and litigation is another option but the Successor Agency opted not to pursue that route.

Vice Chair Zimmerman referenced the DOF's letter dated April 15, 2013 and requested clarification on the administrative costs where 'the Oversight Board has approved an amount that appears excessive, given the number and nature of the other obligations listed in the ROPS.' Mr. Leonard reminded the Oversight Board their approval of \$250,000, which is the administrative costs claimed within the fiscal year administrative cap pursuant to Health and Safety Code Section 34171 (d). However, in AB 1484 there is language that allows the Oversight Board to reduce the amount below the \$250,000. In further review of the matter, the Successor Agency for the West Hollywood Community Development Commission contends that the amount requested and approved for ROPS 13-14A is accurate, but assured the Oversight Board that the Successor Agency's administrative budget would be reviewed thoroughly in the future. Board Member Arevalo commented that the administrative cap request was a universal challenge amongst the Successor Agencies, as supporting documentation had to be provided.

Board Member Arevalo suggested rescheduling the September 26, 2013 to September 18, 2013 providing the Oversight Board and the Successor Agency sufficient time to review the ROPS 13-14B and LRPMP, and if another meeting is needed, it would be scheduled prior to the DOF due date of October 1, 2013.

By Common Consent, there being no objection (Board Members Flaks, Reilly and Roachell being absent), the Oversight Board accepted Mr. Leonard's report; and set a Special Meeting on September 18, 2013 at 2:00 p.m. at Plummer Park in Room 5.

Attachments: [Department of Finance Correspondence](#)

IV. PUBLIC COMMENT

2. This time has been set aside for members of the public to address the City of West Hollywood Oversight Board on items within the subject matter jurisdiction of the Board. Although the Board values your comments, under the Brown Act, the Board cannot discuss or take action on items not listed on the posted agenda. (13-3117)

Stephanie J. Harker and Virginia Gillick, members of the public, addressed the Oversight Board.

V. ADMINISTRATIVE MATTERS

3. Self-introduction of newly appointed Oversight Board member. (13-3102)

Ms. Yvonne Quarker introduced herself to the Oversight Board and provided a brief background on her career within the City of West Hollywood.

4. Election of Chair and/or Vice-Chair for the Oversight Board. (13-3099)

Vice Chair Zimmerman opened the floor for nominations for Chair of the Oversight Board to the Successor Agency of the West Hollywood Community Development Commission.

Board Member Arevalo nominated Vice Chair Zimmerman. There were no more nominations. Vice Chair Zimmerman closed the nominations.

On motion of Board Member Arevalo, seconded by Board Member Burman, unanimously carried (Board Members Flaks, Reilly and Roachell being absent), Vice Chair Zimmerman was appointed to serve as Chair of the Oversight Board to the Successor Agency of the West Hollywood Community Development Commission.

Chair Zimmerman opened the floor for nominations for Vice Chair of the Oversight Board to the Successor Agency of the West Hollywood Community Development Commission.

Chair Zimmerman nominated Board Member Arevalo, seconded by Board Member Burman. Board Member Arevalo regrettably declined the nomination; and, thereby nominated Board Member Quarker for Vice Chair. There were no more nominations. Chair Zimmerman closed the nominations.

On motion of Board Member Arevalo, seconded by Board Member Burman, unanimously carried (Board Members Flaks, Reilly and Roachell being absent), Board Member Quarker was appointed to serve as Vice Chair of the Oversight Board to the Successor Agency of the West Hollywood Community Development Commission.

5. Recommendation: Approve the minutes for February 28, 2013. (13-3098)

On motion of Board Member Arevalo, seconded by Chair Zimmerman, unanimously carried (Board Members Flaks, Reilly and Roachell being absent), the Oversight Board approved the February 28, 2013 Minutes.

Attachments: [February 28, 2013 Minutes](#)

VI. RECOMMENDATIONS

6. Recommendation: Review, approve, and adopt a resolution directing the commencement of a refunding of certain bonds. (13-3101)

John Leonard, Project Development Administrator, provided a brief overview of the of the staff report provided to the Oversight Board informing that the 2003 Bonds are currently outstanding in the principal amount of \$9,525,000 and have a final term of 2033 with an existing interest rate of 5.75%, with an initial 10-year call period, which cannot be redeemed or refunded until September 1, 2013. Mr. Leonard also informed that based on an analysis performed by the County of Los Angeles in May 2013, the refinancing would reduce existing debt service payments on the Successor Agency's 2003 Bonds by \$76,157 annually, which will increase the 'residual' property tax distribution to all taxing entities. However, there has been a volatility in the financial markets on the rising interests rates, and within a two week period there was nearly 75 basis points, approximately 20% increase in interest rates. The County of Los Angeles (County) and the Successor Agency are closely monitoring the situation, and If interests rates continues to rise, no longer making the refunding prudent, the County and Successor Agency will not move forward with the refunding.

The Oversight Board opened the agenda item to public comment.

Stephanie J. Harker, member of the public, addressed the Oversight Board.

On motion of Board Member Burman, seconded by Vice Chair Quarker, unanimously carried (Board Members Flaks, Reilly, Roachell being absent), the Oversight Board adopted Resolution No. OB13-008, A Resolution of the Oversight Board of the Successor Agency to the West Hollywood Community Development Commission Directing the Commencement of a Refunding of Certain Bonds.

Attachments: [Staff Report](#)
 [Resolution](#)

VII. DISCUSSION

7. Update on the status of the Long Range Property Management Plan. Oversight Board discussion and direction, as necessary. (13-3100)

John Leonard, Senior Management Analyst, Department of Finance and Technology Services, presented an overview of the staff report provided to the Oversight Board informing that there is one real property asset that is a 10,000 sq ft parking lot on Santa Monica Boulevard and Spaulding. The property was originally purchased by the West Hollywood Community Development Commission (CDC) in 2003 to be used as a public parking lot, and has been operated as one since then.

Mr. Leonard also informed that the property is the only City operated public parking lot, which is used as both a self-service public and valet (evening only) parking lot. The City receives two types of revenue from the parking lot: 1) Parking revenue - generated from self-service patrons and valet rental fees; and 2) Billboard revenue - lease revenue generated from a billboard located on the property. Furthermore, dissolution legislation allows cities and counties to retain property for governmental use; however, parking lots are not included in the governmental uses listed. Despite the fact that parking lots are not listed as a governmental use, and thus cannot be transferred to the City at no cost, the City still desires to retain the property and is interested in purchasing it from the Successor Agency for the market value determined in the appraisal.

Board Member Burman requested the Successor Agency to pursue the clarification of what is considered "governmental use." Mr. Leonard explained that he would pursue clarification; however, the Department of Finance has determined that parking lots have to be specifically adjacent to a government facility and fully used by the patrons of the building. Mr. Leonard also indicated that AB 1484 does preclude the City to retained management of a parking lot or a facility but any profit made of it must be distributed to the taxing entities.

Chair Zimmerman requested the outcome of Syn-Mar Associates' appraisal of the property. Mr. Leonard informed that the appraisal has not been completed but will be provided to the Oversight Board when the Long-Range Property Management Plan would be reviewed. Chair Zimmerman requested that once the appraisal is completed to provide a copy to the Oversight Board for review.

By Common Consent, there being no objection (Board Members Flaks, Reilly and Roachell being absent), the Oversight Board received and filed the staff report; and requested the Successor Agency staff to provide the appraisal from Syn-Mar Associates once it is finalized for review.

Attachments: [Staff Report](#)

VIII. MISCELLANEOUS

- 8. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (13-3118)**

David King, City Attorney, took the opportunity at this time to address an issue that was posed to the Oversight Board whether the Successor Agency for the West Hollywood Community Development Commission has joined in any lawsuits relating to the 2011 Bonds, and the answer is "no." Mr. King further informed that lawsuits have been filed by individual Successor Agencies, and there have not been any class action suits. The City of West Hollywood does have the option to file a lawsuit, but has not yet opted to file one. Chair Zimmerman clarified that since there is no class action lawsuits, the individual lawsuits will not affect cities that are not part of their lawsuits. Jonathan Leonard, Senior Management Analyst, Department of Finance and Technology Services, added that the lawsuits are little more complex and some do not address the 2011 Bonds.

After discussion, the Oversight Board determined that there were no matters to be presented nor placed on the agenda for a future meeting.

- 9. Adjournment. (13-3119)**

The meeting adjourned at 2:47 p.m. The next regular meetings are scheduled for July 25, 2013 and August 22, 2013 at 2:00 p.m., and a Special Meeting was scheduled for September 18, 2013 at 2:00 p.m. at Plummer Park, Room 5.