

**HERCULES RDA SUCCESSOR AGENCY
OVERSIGHT BOARD MEETING MINUTES
September 24, 2012**

I. PUBLIC COMMUNICATION – CLOSED SESSION ITEMS

There was no public communication.

II. CLOSED SESSION

There were no Closed Session items.

III. ROLL CALL – CALL TO ORDER

Members Present: Sheri Gamba, West Contra Costa Unified School District
Robert Reber, Hercules Staff
Dan Romero, Hercules Mayor and Council Member
Larry Tong, Alternate, East Bay Regional Parks District (Alternate)
William Wilkins, Hercules Council Member

Members Absent: Ted Radke, East Bay Regional Parks District
Richard Mitchell, Hercules Planning Commissioner
Tomi Van de Brooke, Contra Costa Community College District

Staff: Steve Duran, City Manager
Nickie Mastay, Finance Director
Doreen Mathews, City Clerk

Chair Romero called the meeting to order at approximately 7:00 p.m.

IV. PLEDGE OF ALLEGIANCE

Board Members, staff and the audience pledged allegiance to the flag.

V. REPORT ON ACTION TAKEN IN CLOSED SESSION

There were no Closed Session items.

VI. INTRODUCTIONS/PRESENTATIONS

There were no Introductions or Presentations.

VII. AGENDA ADDITIONS/DELETIONS

There were no Agenda Additions or Deletions.

VIII. PUBLIC COMMUNICATIONS

There was no Public Communication.

IX. CONSENT CALENDAR

1. Approve Meeting Minutes Of July 30, 2012

MOTION: Wilkins/Gamba approving the minutes of July 30, 2012 with corrections as stated. The motion was adopted by the following vote:

AYES: Gamba, Romero, Tong, Wilkins
NOES: None
ABSTAIN: Reber

X. DISCUSSION AND ADMINISTRATIVE ITEMS

There was no Discussion or Administrative Items.

XI. REPORTS AND RESOLUTIONS

1. Adopt A Resolution Approving The New Format Of The Recognized Obligation Payment Schedule For The Period January 1, 2013 Through June 30, 2013.

Nickie Mastay, Finance Director, provided a brief presentation identifying the changes from the prior ROPS format to the new format.

Vice Chair Gamba requested clarification regarding the difference between the outstanding debt reported on the new format versus the old format. She also questioned the \$4.3 million included in the six month anticipation is it for a particular period.

Ms. Mastay explained that the difference is that the pass through payments are not included in the new format, however, staff would utilized the notes section in the new format to detail what is owed to the taxing entities. With respect to payments of debt, she stated that payment would be received in January to pay out the January-June ROPS and that the payment for the July-December ROPS would be received in June.

Mr. Reber noted that the estimated payments on the ROPS 1 varied from what was reported on the ROPS 3 and requested clarification on the process used to determine amounts to be paid out.

Ms. Mastay stated that in June the City received \$4+ million in RPPTS to pay debt. She explained that the City waterfall debt consists of Owner Participation Agreements and then bond debt. She stated that in June the City paid the 2005A and 2007A bonds on the RDA side, and the

housing bonds paid in full. With respect to the RDA side, she stated that funds were short \$2.2 million and that the \$2.2 million rolled into the January–June 2013 ROPS, noting that the delta was paid by the bond insurer, but the debt was still owed. She further explained that the ROPS appeared to be increasing, as there is not enough money coming in to cover the basic debt obligations.

MOTION: Tong/Reber to adopt the resolution as presented. The motion was adopted by unanimous voice vote.

2. Receive Report Regarding A First Time Homebuyer Loan – Yun Ho And A Business Development Loan – Yun Technology And Consider Adoption Of a Resolution Removing the Tsushima Street Property As Collateral On The Business Development Loan – Yun Technology.

Ms. Mastay explained that the Oversight Board will be looking at the Business Development Loan only with respect to removing the property as collateral. She stated that should the Board approve the removal of the property, the terms of the loan would remain in place. She reported that currently there are three loans on the property, the first loan is with JP Morgan Chase in the amount of \$245,625.00 for 30 years at a fixed rate of 5.125% (estimated balance owed \$232,389.96); the second loan is a First Time Home Buyer Loan with the Redevelopment Agency for an amount of \$65,500.00. This loan is deferred for 10 years, at the end of the 10th year, the loan is amortized for the next 20 years at a fixed rate of 3% (balance owed \$65,500.00), the third loan is a Business Development loan with the Redevelopment Agency in the amount of \$45,000 for 20 years at a fixed rate of 3%. The balance owed on the Business Development Loan is \$42,617.30. She reported that the property owner had received an offer on their property of \$310,000 and that the purchase price would cover the first and most of the second loans. She added that the property owner does have the additional funding to cover the difference however, not for the Business Development Loan, the third loan. She emphasized that the sale would allow the repayment of the 1st and 2nd loans and the Business Development Loan would be dealt with separately.

Mr. Reber noted that the First Time Homebuyer loan does not involve the Successor Agency to the Redevelopment Agency, it would impact the Successor Agency to Affordable housing. He requested an explanation of the settlement charges.

Ms. Mastay advised believed that the charges included fees for administrative and reconveyance, but would research to confirm additional fees, if any.

MOTION: Gamba/Wilkins to adopt the resolution removing the Tsushima Street Property As collateral on the Yun Technology Business Development Loan. The motion was adopted by unanimous vote.

XII. FUTURE AGENDA ITEM REFERRALS

Mr. Duran stated that staff would be presenting a resolution to transfer certain properties to the City as successor agency in two weeks, based on meetings with the Department of Finance and email direction from the State Controller's Office, as properties fall under claw back legislation. He added that a meeting would be scheduled subsequent to the successor agency approval, emphasizing that action will expedite the sale of the properties.

Direction was given to the City Clerk to poll board members for available dates in early November.

XIII. OVERSIGHT BOARD AND STAFF ANNOUNCEMENTS

There were no Board or Staff Announcements.



XIV. ADJOURNMENT

Chair Romero adjourned the meeting at approximately 7:26 p.m.



Dan Romero, Chair

ATTEST:

Doreen Mathews, City Clerk