

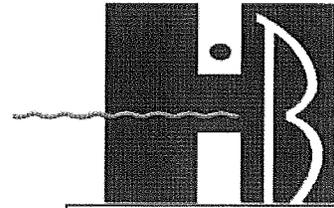
HUNTINGTON BEACH OVERSIGHT BOARD
*of the Successor Agency of the former
City of Huntington Beach Redevelopment Agency*

Special Meeting Agenda

March 5, 2015

3:30 P.M.

City Hall, 2000 Main Street, Civic Center Lower Level,
Room B-8, Huntington Beach, CA 92648



Huntington Beach
Oversight Board

WEB ACCESS:

Meeting audio archives can be accessed
at <http://huntingtonbeach.granicus.com>

****REMINDER****

As a courtesy to those in attendance, please
silence your cell phones and pagers

MEETING ASSISTANCE NOTICE - AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in Oversight Committee meetings. If you require special assistance, 48-hour prior notification will enable the city to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact the Oversight Board Secretary's Office at (714) 536-5227.

OVERSIGHT COMMITTEE AGENDA

The Oversight Committee agenda and supporting documentation is made available for public review during normal business hours in the Office of the Oversight Board Secretary, 2000 Main Street immediately following distribution of the agenda packet to a majority of the Board Members. Questions on agenda items may be directed to the Oversight Board Secretary's Office at (714) 536-5227. The agenda packet is posted on the city's website at <http://www.huntingtonbeachca.gov/Government/agendas/>.

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Oversight Committee meeting audio recordings are archived at <http://www.huntingtonbeachca.gov/Government/agendas/>.

SUPPLEMENTAL COMMUNICATION

Staff and members of the public have the opportunity to submit information related to an agenda item following distribution of the agenda packet to the Board Members. This information is identified as "Supplemental Communication" and is assembled into a packet by the Oversight Board Secretary on the day of the meeting. The Brown (Open Meetings) Act requires that copies of Supplemental Communication be made available to the public immediately upon distribution of material to a majority of the Board Members. Communication received by any individual at the meeting will be made available to the public in the Oversight Board Secretary's Office the following morning.

PUBLIC COMMENTS

This is the time of the meeting for the Board Members to receive comments from the public regarding items of interest or agenda items. Pursuant to the Brown (Open Meeting) Act, the Board Members may not enter into discussion regarding items not on the Oversight Committee agenda. The Board Members strive to treat members of the public with respect. Comments or concerns provided by the public shall be done in a civil and respectful manner.

To participate in Public Comments, **yellow Request to Speak** forms are available at the entrance table and are collected by the Oversight Board Secretary. Each speaker is allowed 3 minutes, and time may not be donated to another speaker.

This agenda contains a brief general description of each item the Oversight Board will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 536-5227 or view the Agenda and related materials on the City's website at <http://www.huntingtonbeachca.gov>. Materials related to an item on this Agenda submitted to the Oversight Board after distribution of the Agenda Packet are available for public inspection in the City Clerk's Office at 2000 Main Street, Huntington Beach, California during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 536-5227. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)

HUNTINGTON BEACH OVERSIGHT BOARD

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Huntington Beach, CA 92648

**3:30 PM – ROOM B-8
CIVIC CENTER, 2000 MAIN STREET
HUNTINGTON BEACH, CA 92648**

BOARD MEMBERS: City of Huntington Beach appointee **Mayor Jill Hardy**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew “Andy” Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee **Jim Katapodis**

CALL TO ORDER

ROLL CALL: Bone, Delgado, A. Dunn, L. Dunn, Fritzal, Hardy, Katapodis

PLEDGE OF ALLEGIANCE: To be led by Mayor Hardy

SUPPLEMENTAL COMMUNICATIONS: Announced by Board Secretary.

PUBLIC COMMENTS: *This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss unagendized issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.*

BUSINESS:

- 1. Adopt Resolution No. 2015-04 of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Huntington Beach relating to approving a Purchase and Sale Agreement for the Edinger Hotel**

Recommended Board Action:

Adopt Resolution No. 2015-04, “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Purchase and Sale

Agreement and Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NOs. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28].

2. Adopt Oversight Board Resolution No. 2015-05 approving the Long Range Property Management Plan (LRPMP)

Recommended Board Action:

Adopt Resolution No. 2015-05, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Long Range Property Management Plan Prepared Pursuant to California Health and Safety Code Section 34191.5."

3. Approve and adopt the minutes of the Oversight Board Special Meeting of February 18, 2015

Recommended Board Action:

Approve and adopt the minutes of the Oversight Board Special Meeting of February 18, 2015, as written and on file in the office of the Secretary of the Board.

MEMBER REPORTS/ANNOUNCEMENTS

ADJOURNMENT: The Regular Meeting scheduled for Monday, April 13, 2015, 4:30 PM is **CANCELLED**.

The next Regular Meeting is scheduled for Monday, October 12, 2015, 4:30 PM at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #1

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the former Redevelopment Agency

MEETING DATE: March 5, 2015

SUBJECT/ACTION: Adopt Resolution No. 2015-04 of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Huntington Beach relating to approving a Purchase and Sale Agreement for the Edinger Hotel

STATEMENT OF ISSUE:

The Oversight Board is asked to approve a Purchase and Sale Agreement between the Successor Agency of the former Redevelopment Agency and Miramir for parcels located on Edinger and Parkside for construction of a hotel. Previously on November 5, 2014, the Oversight Board had to re-approve the Purchase and Sale Agreement for parcels located on Edinger and Parkside for construction of hotel between the City of Huntington Beach and Miramir.

BOARD RECOMMENDED ACTION: Motion to:

- 1) Adopt Resolution No. 2015-04, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Purchase and Sale Agreement and Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NOs. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28]."

DISCUSSION:

In response to the elimination of redevelopment agencies, in March 2011, the Huntington Beach City Council and the former Redevelopment Agency took various actions to transfer Agency assets and to transition activities of the former Agency to the City of Huntington Beach (City) in order to continue to implement redevelopment in the City. Subsequent to that, AB 1x 26 was signed into law on June 29, 2011, which considered the transfer of assets to be unauthorized and invalid and which dissolved the former Redevelopment Agency as of February 1, 2012. The Huntington Beach City Council and Successor Agency approved the process documentation confirming ownership of the former Redevelopment Agency assets with the Successor Agency. On January 8, 2013, the Oversight Board took action re-confirming the property assets are with the Successor Agency. However, Department of Finance did not approve the transfers and instructed the Successor Agency to process the Long Range Property Management Plan (LRPMP) as the vehicle to re-confirm ownership. On November 5, 2014, the Oversight Board again re-approved the Purchase and Sale Agreement and directed the transfer of ownership. The action was part of the review and submittal of the LRPMP.

On February 20, 2015, the Successor Agency received an Objection to the Oversight Board Action from the Department of Finance (DOF). The Agency conducted a conference call with DOF to determine how to move forward with the proposed hotel. Based upon the discussion, it

was determined that if the Oversight Board approved a new Purchase and Sale Agreement – between the Successor Agency and Miramir, DOF was inclined to approved the Agreement, to move forward to close of escrow.

The former Redevelopment Agency issued an RFP on October 2009 in search of a hotel developer to develop a high quality, select brand hotel on the site with a minimum of 125 hotel rooms. Ayres Hotel Company was selected by staff; however, the former Agency and Ayres could not come to terms and the property was transferred from the former Agency to the City for continued attempts at redevelopment.

After several failed attempts with other hotel developers, on January 27, 2012, the City entered into a PSA with Campbell Lodging to purchase the property and develop the site as a Hyatt Place Hotel, or similar brand hotel, ranging in size from 120 to 140 rooms.

On October 2, 2012, Campbell Lodging, Inc. transferred its interest in the PSA to KPHL, LLC. Since then, there have been four amendments to the PSA (January 31, 2012 – 1st Amendment; June 2012 – 2nd Amendment; and January 25, 2013 – 3rd Amendment). On January 21, 2014, the parties entered into the 4th Amendment, which extended the close of escrow deadline to June 30, 2015. The property has been reconveyed to the Successor Agency and remains subject to the terms of the PSA. The extension allows additional time to process project entitlements and final parcel map as well as obtain a Finding of Completion and a certified LRPMP from the DOF. The sales price is substantiated by an appraisal review by Nagasaki & Associates, dated January 9, 2012, that valued the parcels at \$2.94 million to \$3.50 million.

The property is fully entitled and the developer has the financing in place. Once the LRPMP has been approved by DOF, the sale can take place immediately.

Attachment

- 1) Resolution No. 2015-04, “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving A Purchase and Sale Agreement and Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN Nos. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28].”

Attachment #1

Oversight Board Resolution No. 2015-04 will be submitted as a Supplemental Communication

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #2

AGENDA REPORT
**Oversight Board of the Huntington Beach Successor Agency
to the Redevelopment Agency**

MEETING DATE: March 5, 2015

SUBJECT/ACTION: Adopt Oversight Board Resolution No. 2015-05 approving the Long Range Property Management Plan (LRPMP)

STATEMENT OF ISSUE:

Pursuant to Assembly Bill 1484 (AB 1484), all successor agencies are required to prepare a Long Range Property Management Plan (LRPMP) that will govern the disposition and use of the former non-housing properties owned by the former redevelopment agency. On November 5, 2014, the Oversight Board reviewed and approved the LRPMP which was then sent to the California Department of Finance (DOF) on November 7, 2014. On March 3, 2015, the City received a correspondence from DOF regarding modifications to the LRPMP.

RECOMMENDED BOARD ACTION:

Motion to:

Adopt Resolution No. 2015-05, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Long Range Property Management Plan Prepared Pursuant to California Health and Safety Code Section 34191.5."

BACKGROUND:

Pursuant to Assembly Bill 1484 (AB 1484) all successor agencies are required to prepare a Long Range Property Management Plan (LRPMP) that will govern the disposition and use of the non housing properties owned by the former redevelopment agency. The LRPMP must be approved by the Successor Agency and then by the Oversight Board. The approved plan is then submitted to the DOF for review no later than six (6) months following the issuance of a Finding of Completion.

The DOF issues the Finding of Completion once the Successor Agency has paid the amount indicated by the due diligence reviews and the county auditor-controller has reported those payments to DOF. The Huntington Beach Successor Agency received its Finding of Completion on May 13, 2014, so the LRPMP is due to DOF by November 13, 2014. Pursuant to Health and Safety Code Section 34191.5(c), the LRPMP must include a detailed inventory with background information and the recommended use or disposition of each property. Permitted actions under the LRPMP include:

- Retention of the property for governmental use;

- Retention of the property for future development of approved enforceable obligations;
- Use of the property to fulfill a current enforceable obligation; and
- Sale of the property with proceeds distributed to the taxing entities.

Generally, DOF interprets AB 1484 to require successor agencies to sell property unless it has an approved enforceable obligation attached to it or is used for a governmental purpose. The Huntington Beach Successor Agency owns seven (7) properties containing thirteen (13) parcels described below, which were all acquired for general redevelopment purposes. Six of the seven properties have buildings and/or approved planning entitlements and one is undeveloped.

<u>Property</u>	<u>Disposition Type</u>	<u>Recipient</u>	<u>Estimated Sales Price from Recipient</u>	<u>Timing of Sale</u>
International Surf Museum	<u>Government Use</u>	City	\$0	ASAP
Downtown Alley	Government Use	City	\$0	ASAP
Public Skate Park	Government Use	City	\$0	ASAP
Westminster Parcel	<u>Government Use</u>	City of Huntington Beach / City of Westminster	\$0	ASAP
Waterfront Hyatt Regency	Other Liquidation or, in the alternative, Enforceable Obligation	Designated Buyer	\$7,900,000, less repayment of the two enforceable obligations	ASAP
Waterfront Hilton/Parcel C	Other Liquidation or, in the alternative, Enforceable Obligation	Designated Buyer	<u>\$5,607,950</u>	4th Quarter 2015-1st Quarter 2016
Edinger Hotel	Other Liquidation	Designated Buyer	\$3,100,000	ASAP

As part of the wind down process of redevelopment, appraisals and/or a value is required to be established on the properties that are recommended for sale. The estimated values for those properties determined by the appraisals are shown on the following table. The LRPMP does not require that new appraisals be conducted. The Successor Agency and then the Oversight Board are required to review and approve the LRPMP. Once approved, the LRPMP will be sent to California Department of Finance for approval and then for Agency implementation. The actual amount of sales proceeds will

be dependent upon the market conditions and the final sales prices, less listing costs and escrow fees.

The changes, as underlined on the above chart includes the changing of the International Surf Museum and Westminster Parcel to Government Use (from Future Development) and the statement: "Pursuant to HSC section 34180 (f), if a city wishes to retain any properties for future redevelopment activities, it must reach a compensation agreement with the other taxing entities to provide payments for the value of the property retained." Regarding Waterfront Hilton/Parcel C – we have included the current estimated value.

ATTACHMENT(S):

1. Resolution No. 2015-05, " A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Long Range Property Management Plan Prepared Pursuant to California Health and Safety Code Section 34191.5."
2. Long Range Property Management Plan

Attachment #1

Oversight Board Resolution No. 2015-05 will be submitted as a Supplemental Communication

Attachment #2

Long Range Property Management Plan will be Submitted as a Supplemental Communication

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #3

**Special Meeting Minutes
City of Huntington Beach Oversight Board of the Successor Agency
of the Former City of Huntington Beach Redevelopment Agency**

Wednesday, February 18, 2015
3:30 PM - Room B-8
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**3:30 PM – ROOM B-8
CIVIC CENTER, 2000 MAIN STREET
HUNTINGTON BEACH, CA 92648**

BOARD MEMBERS: City of Huntington Beach appointee **Mayor Jill Hardy**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew “Andy” Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee **Jim Katapodis**

CALL TO ORDER – 3:35 PM

ROLL CALL: L. Dunn, Fritzal, Hardy, Katapodis

ABSENT: Bone, Delgado, A. Dunn

PLEDGE OF ALLEGIANCE: Led by Mayor Hardy

SUPPLEMENTAL COMMUNICATIONS: None

PUBLIC COMMENTS: *This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss unagendized issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.*

None

BUSINESS:

1. Introductions and Administration of the Oath of Office

Appointees Jill Hardy, Mayor of the City of Huntington Beach, and Councilmember Jim Katapodis, representative of the Orange County Sanitation District, each introduced themselves followed by the administration of the Oath of Office by Joan L. Flynn the Board Secretary.

2. Elected a Chair and Vice Chair for the Oversight Board and Administered the Oath of Office

Board Action: Elect one member to serve as (“Board”) Chair, and one member to serve as Vice Chair of the Oversight Board to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2015 calendar year.

Motion was made by Jim Katapodis, second Lucy Dunn to nominate Jill Hardy as Chair of the City of Huntington Beach Oversight Board of the Successor Agency of the Former City of Huntington Beach Redevelopment Agency.

The motion carried by the following vote:

AYES: L. Dunn, Fritzal, Hardy, Katapodis

NOES: None
ABSENT: Bone, Delgado, A. Dunn

Motion was made by Jill Hardy, second Lucy Dunn to nominate Jim Katapodis as Vice Chair of the City of Huntington Beach Oversight Board of the Successor Agency of the Former City of Huntington Beach Redevelopment Agency.

The motion carried by the following vote:

AYES: L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
ABSENT: Bone, Delgado, A. Dunn

The Oath of Office was administered to the Chair and Vice Chair by Joan L. Flynn the Board Secretary.

3. Approved and adopted Oversight Board Resolution No. 2015-01 approving the Repayment Schedule for Loans from the former Redevelopment Agency's Low and Moderate Income Housing Fund

City Manager Fred Wilson Introduced Lori Ann Farrell, City of Huntington Beach Finance Director. Ms. Farrell gave a brief presentation on Huntington Beach's former Low and Moderate Income Housing Fund. She explained the purpose of Resolution 2015-01 which would approve the loan repayment schedule for loans to the former Redevelopment Agency from the former Low and Moderate Income Housing Fund, including loans to fund the Redevelopment Agency's payments to the Supplemental Education Revenue Augmentation Fund.

There being no further discussion nor questions, a motion was made by Board Member L. Dunn, second Vice Chair Katapodis, to adopt Resolution No. 2015-01, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Repayment Schedule for Loans from the Former Redevelopment Agency's Low and Moderate Income Housing Fund."

The motion carried by the following vote:

AYES: L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
ABSENT: Bone, Delgado, A. Dunn

4. Approved and adopted Oversight Board Resolution Nos. 2015-02 and 2015-03 approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Huntington Beach Successor Agency for the period of July 1, 2015, through December 31, 2015, in accordance with Health and Safety Code Section 34177 and related actions

Ms Farrell gave details on the necessity of approving the Recognized Obligation Payment Schedule (Resolution 2015-02) and also approving the Administrative Budget for the period of July 1, 2015 through December 31, 2015 (Resolution 2015-03), which is in compliance with State law and covers the administrative costs of winding down the former Huntington Beach Redevelopment Agency.

There being no further discussion nor questions, a motion was made by Board Member L. Dunn, second Vice Chair Katapodis, to adopt Resolution No. 2015-02, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach

Approving the Recognized Obligation Payment Schedule for the Period July 1, 2015 Through December 31, 2015 ("ROPS 15-16A");" and adopt Resolution No. 2015-03, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget for the Period July 1, 2015 Through December 31, 2015."

The motion carried by the following vote:

AYES: L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
ABSENT: Bone, Delgado, A. Dunn

5. Received and filed the minutes of the Oversight Board Special Meeting of November 24, 2014

Board Action:

A motion was made by Vice Chair Katapodis, second Chair Hardy, to receive and file the minutes of the Oversight Board Special Meeting of November 24, 2014, as written and on file in the office of the Secretary of the Board.

The motion carried by the following vote:

AYES: L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
ABSENT: Bone, Delgado, A. Dunn

MEMBER REPORTS/ANNOUNCEMENTS: None

ADJOURNMENT: The meeting was adjourned by Board Chair Hardy at 3:46 PM, noting that the Regular Meeting scheduled for Monday, April 13, 2015, 4:30 PM is **CANCELLED**.

The next Regular Meeting is scheduled for Monday, October 12, 2015, 4:30 PM at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

Joan L. Flynn
Secretary of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency

Jill Hardy
Chair of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency