

**MINUTES OF THE REGULAR MEETING OF THE  
OVERSIGHT BOARD FOR THE SUCCESSOR  
AGENCY TO THE CITY OF MONTCLAIR REDE-  
VELOPMENT AGENCY HELD ON WEDNESDAY,  
SEPTEMBER 9, 2015, AT 6:00 P.M. IN THE CITY  
COUNCIL CHAMBERS, 5111 BENITO STREET,  
MONTCLAIR, CALIFORNIA**

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**I. PRELIMINARY MATTERS**

**A. Call to Order**

Vice Chairperson Johnson called the meeting to order at 6:00 p.m. and asked that everyone please silence their electronic devices as a courtesy to others while the meeting is in session.

**B. Roll Call**

Present: Vice Chairperson Johnson; Board Members Catlin, Hillman, Piotrowski, and Richardson; Deputy City Manager/Economic Development Executive Director Staats; Finance Director Parker; Oversight Board Counsel Kotkin; Secretary Phillips

Absent: Chairman Ruh (arrived at 6:13 p.m.); Board Member Erickson (excused)

**II. PUBLIC COMMENT - None**

**III. APPROVAL OF MINUTES**

**A. Minutes of Regular Oversight Board Meeting of February 11, 2015**

Vice Chairperson Johnson and Board Members Hillman and Richardson indicated their abstentions because they were not in attendance at the February 11, 2015 meeting.

In the absence of a quorum of Board Members who were present at the February 11, 2015 meeting, Vice Chairperson Johnson noted this item would be tabled and returned for Oversight Board approval at the next meeting.

Oversight Board Counsel Kotkin advised that it is his belief that approval of the minutes could be based on review of the minutes by Board Members who were not present at that particular meeting, as long as they feel the minutes accurately represent the actions taken at that meeting. He noted he could look into the matter and report on actions the Board could take to have these minutes approved if the Board cannot achieve a quorum of those who were present at that meeting to vote.

**B. Minutes of Regular Oversight Board Meeting of July 8, 2015**

Moved by Board Member Catlin, seconded by Board Member Richardson, and carried to approve the minutes of the regular Oversight Board meeting of July 8, 2015.

**IV. BUSINESS ITEMS**

**A. Consider Adoption of Resolution No. 15-05 Approving a Recognized Obligation Payment Schedule for January 1, 2016, through June 30, 2016**

Finance Director Parker reported there are changes from prior ROPS form submissions. He noted the "Other Funds" column on page 9 lists three different amounts, which combined represent the proceeds from the sale of the Palo Verde Street property, and are in effect reducing the Successor Agency's debt service on its three

bond issues. Essentially, because the debt service is being reduced by about \$995,000, that much more will be available for distribution to the taxing entities.

Finance Director Parker further advised that the three amounts in the shaded rows indicate items that DOF denied from the previous ROPS. The Successor Agency has initiated litigation against DOF related to these items.

Board Member Richardson asked if staff could expand on the litigated items.

Finance Director Parker noted three points were considered in litigation the Successor Agency initiated against DOF. The first item was a cap on the administrative costs, which the judge did not rule on and therefore DOF's cap remains in effect.

The next item rejected by DOF was reimbursement for Deputy City Manager/Economic Development Executive Director Staats' time in preparing the Long Range Property Management Plan, which the judge declared an abuse of DOF's discretion. The judge ordered a meet-and-confer between the Successor Agency and DOF on the amount to be reimbursed.

The final item denied by DOF was an administrative allowance to the Montclair Housing Authority. The law grants an administrative allowance at a minimum of \$150,000 per year for five years to housing authorities that took over the function of successor housing entities. DOF's denial was based on the claim that the intent only applied to County housing authorities, despite the fact that the law does not identify a specific type of housing authority.

Finance Director Parker advised that the Montclair Housing Authority has been acting as the successor housing authority for the Successor Agency and is a legitimate housing authority. He noted it has no source of income and administers the successor agency's 33 properties used for low- and moderate-income housing. The judge again ruled in the Successor Agency's favor, opining that DOF abused its discretion and should have provided that allowance. Although DOF now owes the administrative allowance for the housing authority, the Successor Agency's legal counsel believes DOF will appeal the decision. Another superior court has opined in DOF's favor in a case regarding this matter for another city's successor agency, which makes the final outcome more uncertain if it is to be appealed.

In response to Board Member Richardson's question whether it is appropriate to ask for this report, Oversight Board Counsel Kotkin advised this is an appropriate report and that Finance Director Parker provided a thorough response. He further noted that other Successor Agencies he is working with are delighted with the Montclair result in these court victories against DOF. He noted the Montclair Successor Agency's efforts in obtaining permission from the Successor Agency and Oversight Boards to litigate these matters has resulted in a victory for local authority—including local Successor Agencies and Oversight Boards throughout the state. He stated his belief that this issue will likely go all the way to the state's Supreme Court.

Chairman Ruh arrived at 6:13 p.m.

Oversight Board Counsel Kotkin briefed Chairman Ruh on Finance Director Parker's litigation report.

Moved by Board Member Richardson and seconded by Board Member Catlin that Resolution No. 15-05 be adopted.

Resolution No. 15-05, entitled, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1, 2016, THROUGH JUNE 30, 2016, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179, DIVISION 24, PART 1.85, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF," was adopted by the following vote:

AYES: Richardson, Piotrowski, Hillman, Catlin, Johnson, Ruh  
NOES: None  
ABSTAIN: None  
ABSENT: Erickson

**B. Consider Adoption of Resolution No. 15-06 Approving the Successor Agency's Proposed Administrative Budget for January 1, 2016, through June 30, 2016**

Moved by Board Member Hillman and seconded by Board Member Richardson that Resolution No. 15-06 be adopted.

Resolution No. 15-06, entitled, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING HE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR JANUARY 1, 2016, THROUGH JUNE 30, 2016, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177(j)," was adopted by the following vote:

AYES: Richardson, Piotrowski, Hillman, Catlin, Johnson, Ruh  
NOES: None  
ABSTAIN: None  
ABSENT: Erickson

**V. COMMUNICATIONS**

**A. Staff**

**1. Status Report on Litigation with DOF**

Finance Director Parker noted the status of litigation was reported under **Item IV-A**.

**2. Status Report on the Update of the Appraisal for the Ramona Avenue Property**

Deputy City Manager/Economic Development Director Staats noted DOF had pulled Resolution No. 15-04 approving the Successor Agency's action to initiate an updated appraisal on the Ramona Avenue property. Last week DOF approved the action, allowing **Integra Realty Resources** to perform the appraisal. A purchase order has been issued to **Integra Realty Resources**.

Deputy City Manager/Economic Development Director Staats noted she contacted a representative from **Monte Vista Water District (MVWD)** to discern their potential interest in the property. She stated they are only interested in a small portion of the property. She advised **MVWD** that DOF prefers the competitive bid process be used, although as an attempt to be open with the prospective buyer, information could be added to the Request for Proposals (RFP) to reflect **MVWD's** interest in the property and that **MVWD** has eminent domain powers being a public utility agency. She noted she would continue to discuss the matter with **MVWD**, noting they may elect to contact DOF directly if they care to do so.

**B. Chairman and Members**

1. Vice Chairperson Johnson thanked staff for the hard work that goes into winding down the Successor Agency and reporting to the Oversight Board.

**VI. ADJOURNMENT**

At 6:19 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,



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Andrea M. Phillips  
Secretary