

**City of Pomona  
Successor Agency Oversight Board  
Special Meeting Minutes**

**APRIL 20, 2017  
11:00 a.m.**

**City Council Chambers  
Pomona City Hall  
505 S. Garey Avenue  
Pomona, California**

**Board Members present:**

Tim Sandoval, Chair  
Carrie Sutkin, Vice Chair  
Leslie Barnes, Board Member  
Debra Martin, Board Member  
Jane Rich, Board Member  
Bruce Saito, Board Member

**Board Members Absent:**

Mike Gregoryk, Board Member

**Staff Members Present:**

Linda Lowry, City Manager  
Kirk Pelser, Deputy City Manager  
Onyx Jones, Finance Director  
Teresa Highsmith, Oversight Board Counsel  
Candice Alvarez, Deputy City Clerk

**CALL TO ORDER**

Chair Sandoval called the meeting to order at 11:00 a.m.

**ROLL CALL**

Candace Alvarez, Deputy City Clerk, called the roll.

**PLEDGE OF ALLEGIANCE**

Board Member Jane Rich led the Pledge of Allegiance

**PUBLIC COMMENT**

There was none.

## CONSENT CALENDAR

1. Approve the Regular Meeting minutes of the Pomona Successor Agency Oversight Board of January 26, 2017 and March 16, 2017.

*Motion by Member Saito, seconded by Member Martin, duly carried by unanimous vote of the members present (6-0-1-0) (Member Gregoryk being absent), the Oversight Board approved the Regular Meeting minutes of the Pomona Successor Agency Oversight Board of January 26, 2017 and March 16, 2017.*

2. Adopt a Resolution approving a Purchase and Sale Agreement with the County of Los Angeles for the sale of Successor Agency property known as 340-350 Short Street, Pomona, California (APN's 8348-001-900 and 901).

### RESOLUTION NO. OB 2017-

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF POMONA APPROVING A PURCHASE AND SALE AGREEMENT FOR THE SALE OF THE PROPERTY KNOWN AS 340-350 SHORT STREET IN POMONA, CALIFORNIA (APN'S 8348-001-900 AND 8348-001-901) TO THE POMONA UNIFIED SCHOOL DISTRICT FOR THE PURCHASE PRICE OF \$831,600.

Kirk Pelser, Deputy City Manager, provided a brief overview of the property located at 340-350 Short Street, Pomona (APN's 8348-0001-900 and 8348-001-901) and informed the Oversight Board that the Resolution attached to the agenda is incorrect. The Resolution should read "... to the County of Los Angeles..." as follows:

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF POMONA APPROVING A PURCHASE AND SALE AGREEMENT FOR THE SALE OF THE PROPERTY KNOWN AS 340-350 SHORT STREET IN POMONA, CALIFORNIA (APN'S 8348-001-900 AND 8348-001-901) TO THE COUNTY OF LOS ANGELES FOR THE PURCHASE PRICE OF \$831,600.

*Motion by Vice Chair Sutkin, seconded by Member Martin, duly carried by unanimous vote of the members present (6-0-1-0) (Member Gregoryk being absent), the Oversight Board approved Resolution No. OB 2017- A Resolution of the Oversight Board for the Successor Agency to the Former Redevelopment Agency of the City of Pomona approving a Purchase and Sale Agreement for the sale of the*

*property known as 340-350 Short Street in Pomona, to the County of Los Angeles for the purchase price of \$831,600.*

3. Adopt a Resolution approving a Second Amendment to Agreement of Purchase and Sale with LVD Rio Rancho III, LLC for the sale of Successor Agency property known as Lot 8 of the former Pomona Auto Center, Pomona, California (APNs 8344-024-935 and 8344-024-938) to allow for pay-off of an existing assessment.

RESOLUTION NO. OB. 2017-

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF POMONA, CALIFORNIA, APPROVING THE SECOND AMENDMENT TO THE AGREEMENT OF PURCHASE AND SALE FOR THE SALE OF THE FORMER POMONA AUTO CENTER LOT 8 (APNS 8344-024-935 AND 8344-024-938) WITH LVDRIO RANCHO III, LLC FOR THE PURCHASE PRICE OF \$12,220,000.

Kirk Pelser, Deputy City Manager, provided a brief background of the Purchase and Sale Agreement of the former Pomona Auto Center Lot 8. Mr. Pelser informed the Oversight Board that there is a Second Amendment to the Agreement. The purpose of the Second Amendment is to address the payoff of an Assessment District affecting the property, which was not identified in the preliminary title report provided during the Request for Proposal (RFP) selection process. The proposed Second Amendment calls for the Assessment District balance to be paid from the Successor Agency's gross sales proceeds at the close of escrow. Escrow is anticipated to close in April 2018, after the Buyer has obtained all the necessary entitlements. The pay off balance for the Assessment District is projected to be approximately \$450,000 at the close of escrow.

Chair Sandoval inquired as to what will be developed on the property. Mr. Pelser indicated that 110 Single Family Homes will be built.

Vice Chair Sutkin inquired if Title Insurance was obtained during the sale of the property. Mr. Pelser indicated that a preliminary Title Report was utilized for the purpose of sending out a Request for Proposal, however, Title Insurance was not purchased.

Vice Chair Sutkin and Board Member Martin voiced their concern regarding the liability of the Title Report not disclosing the Assessment District. Mr. Pelser informed that since there is not a Title Policy, there are no grounds for liability on the part of the Successor Agency. Vice Chair Sutkin voiced her concern over the additional funds being spent from the sale due to the District Assessment debt.

Teresa Highsmith, Oversight Board Counsel, clarified that title requests usually don't always show all the encumbrances on the preliminary title search. However, prior to the close of escrow the buyer will request an extensive title search and will inform the seller of the items that will have to be remedied prior to the close of escrow.

Mr. Pelser added that since the sale price of \$12,000,000 is twice the Market Value of \$6,485,000, the additional cost is negligent.

Linda Lowry, City Manager, indicated that an appraisal was performed on the property as late as March 10, 2017. Ms. Lowry indicated that the Oversight Board can recommend to the Successor Agency that prior to the sale of any property that a more extensive title search be conducted so that all the encumbrances are evident prior to selling the property for the purpose of setting the sale price.

Vice Chair Sutkin inquired as to when escrow will close. Mr. Pelser indicated that due to an environmental impact report currently being conducted, escrow will close sometime in April 2018. Discussion ensued regarding the description of the Assessment District. Board Member Martin explained that the Pomona City Council's goal at the time of the sale was to obtain the highest bid with the lowest impact to the community. Ms. Highsmith explained why Title Insurance cannot be obtained at the onset of escrow, and Mr. Pelser indicated that only larger Title companies will be utilized going forward.

*After discussion, on motion of Member Martin, seconded by Vice Chair Sutkin, duly carried by unanimous vote of the members present (6-0-1-0) (Member Gregoryk being absent), the Oversight Board approved Resolution No. OB 2017- , A Resolution of the Oversight Board to the Successor Agency of the Former Redevelopment Agency of the City of Pomona, California, approving the Second Amendment to the Agreement of Purchase and Sale for the Sale of the Former Pomona Auto Center Lot 8 (APNS 8344-024-935 and 8344-024-938) with LVD Rio Rancho III, LLC for the purchase price of \$12,220,000.*

4. Receive and file a Notice of Los Angeles County Oversight Boards Consolidation.

Teresa Highsmith, Oversight Board Counsel, informed the Oversight Board of the process for the consolidation of the 71 Oversight Boards in the County of Los Angeles. Ms. Highsmith explained that under SB 107 all 71 Oversight Boards within the County of Los Angeles will be consolidated into five Oversight Boards, i.e. one Oversight Board for each Supervisorial District. Ms. Highsmith indicated that the members of each Board will consist of the following:

- One member selected by the Board of Supervisors
- One member selected by the City Selection Committee
- One member selected by the Independent Special District Committee
- One member selected by the County Superintendent if the Superintendent is an elected official or by the County Board of Education if the Superintendent is appointed
- One member selected by the Chancellor of the Community College District
- One member selected by the Board of Supervisors from the general public
- One member selected by the largest existing recognized labor union in the County

Ms. Highsmith informed that if members are not in place by July 15, 2018, Governor Brown will select the members.

Chair Sandoval inquired as to how many properties were left to be disposed of. Mr. Pelser, City Attorney, indicated that there are approximately eight properties. However, there are two parcels that were not initially included in the Long Range Property Management Plan (LRPMP). The LRPMP will need to be amended in the future to reflect the additional two parcels. The issue will be considered by the Successor Agency in either May or June, and discussion ensued relative to loans with the County. Vice Chair Sutkin inquired as to the total loans outstanding. Linda Lowry, City Manager, indicated that there is approximately \$60,000,000 of loans at 7% interest.

*By Common Consent, there being no objection and Board Member Gregoryk being absent, the Oversight Board to the Successor Agency of the Former Redevelopment Agency of the City of Pomona received and filed Counsel's report.*

#### DEPARTMENT OF FINANCE COMMUNICATIONS

Onyx Jones, Finance Director, informed the Oversight Board that Counsel has approved the process for determining which bonds can be refunded at a lower interest rate. The current rate received for one of the City bonds is 3.8%. The Bond Team will focus next on the General Fund Pension Bonds then move to the Redevelopment Agency Bonds. The strategic plan for the RDA bonds is to look at collapsing all the debt into manageable portions and then enter into negotiations with the County to assess various options for paying off the debt.

*By Common Consent, there being no objection (Board Member Gregoryk being absent), the Oversight Board for the Successor Agency to the Former Redevelopment Agency of the City of Pomona received and filed the Finance Director's report.*

#### FUTURE AGENDA ITEMS

Kirk Pelser informed the Oversight Board that a meeting will be scheduled in May or June to address the amendment of the Long Range Property Management Plan.

#### ADJOURNMENT

*Motion by Vice Chair Sutkin, seconded by Member Martin, unanimously carried (Member Gregoryk being absent) the Oversight Board adjourned at 11:41 a.m. The next Regular Pomona Successor Agency Oversight Board Meeting is schedule to be held on Thursday, May 18, 2017 at 10:00 a.m.*

*Eva M Buice*

Eva M. Buice, MMC, Clerk of the  
Oversight Board

ATTEST:

A handwritten signature in black ink, appearing to read 'Tim Sandoval', written over a horizontal line.

Tim Sandoval, Chair