



Special Meeting AGENDA

Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency

City Council Chambers, 1424 Mission Street
Thursday, August 15, 2013 4:00 PM

Chair: Gary E. Pia
Vice-Chair: Richard Roche
Board Members: Tim Evans; John Mayer; Scott Price; Ted Shaw; Bob Miller

In order to address the Board, please complete a Public Comment Card and present it to the Secretary. Speakers will be called upon by the Chairman at the appropriate time. Time allotted per speaker: 3 minutes.

Call to Order

Roll Call
Pledge of Allegiance
Confirmation of Agenda

Public Comment

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: 3 minutes

Discussion Items

1. Approval of Minutes: April 10, 2013 Regular Meeting
2. Resolution approving the Long Range Property Management Plan for disposition of Successor Agency property

Adjournment

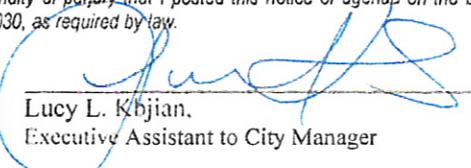
Accommodations



Meeting facilities are accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 403-7230. Hearing assistive devices are available in the Council Chambers. Notification at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.

8-8-13
Date


Lucy L. Khjian,
Executive Assistant to City Manager

STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA
COMMUNITY REDEVELOPMENT AGENCY

CITY OF SOUTH PASADENA
CITY COUNCIL CHAMBERS
1424 MISSION STREET
SOUTH PASADENA, CALIFORNIA 91030

Wednesday, April 10, 2013

4:00 p.m.

AUDIO LINK FOR THE ENTIRE MEETING (13-1835)

Attachments: [Audio](#)

CALL TO ORDER

Chair Pia called the meeting to order at 4:00 p.m.

ROLL CALL

Lucy L. Kbjian, Executive Assistant to City Manager, called the roll.

Present: Board Members John Mayer, Scott S. Price,
Vice Chair Richard Roche and Chair Gary Pia

Absent: Board Members Timothy B. Evans, Bob Miller and
Ted R. Shaw

PLEDGE OF ALLEGIANCE

Chair Pia led the Pledge of Allegiance.

CONFIRMATION OF AGENDA

Chair Pia reviewed and confirmed the agenda with the Board.

PUBLIC COMMENT

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: three (3) minutes

There were none.

DISCUSSION ITEMS

1. Approval of Minutes: February 13, 2013 Regular Meeting (13-1646)

On motion of Vice Chair Roche, seconded by Board Member Price, duly carried by the following vote, the Oversight Board approved the February 13, 2013 Minutes.

Ayes: 4 - Board Members Mayer, Price, Vice Chair Roche and Chair Pia

Absent: 3 - Board Members Evans, Miller and Shaw

Attachments: February 13, 2013 Minutes

2. Resolution Authorizing Transfer of Property Located at Mound and El Centro from the Successor Agency to the City of South Pasadena as an Asset Constructed and Used for a Governmental Purpose (13-1648)

Kimberly Hall Barlow, Successor Agency Legal Counsel, presented a verbal overview of the staff report. Ms. Barlow informed the Oversight Board that Parcel 5315-003-901 (Property) was originally transferred from the Successor Agency to the Housing Authority as a Housing Asset, but the Department of Finance (DOF) disallowed the transfer, and the Property was transferred back to the Successor Agency. Ms. Barlow also added that the Property qualifies as governmental use, and the Successor Agency; therefore, recommends the property to be transfer to the City of South Pasadena.

Vice Chair Roche, requested clarification on what is considered “governmental use.” Ms. Barlow explained to the Oversight Board that “governmental use” is described as anything that is used by the government for governmental purposes. Ms. Barlow informed the Oversight Board that the statute does not provide a definition, but examples such as parks, fire stations, police department buildings, parking lots. Due to the examples, the property would be qualified as governmental use.

Board Member Price inquired if the DOF denies the transfer of the property, are there any other options to be considered. Ms. Barlow reiterated that the property qualifies as governmental use, but if the transfer is denied by the DOF, the Successor Agency has other options to pursue.

On motion of Board Member Price, seconded by Vice Chair Roche, duly carried by the following vote, the Oversight Board adopted Resolution No. 2013 03, A Resolution of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena, California, Authorizing the Transfer of the Property with Assessor's Parcel Number 5315-003-901 from the Successor Agency to the City of South Pasadena as an Asset Constructed and Used for a Governmental Purpose Pursuant to Health and Safety Code Section 348181 (A):

Ayes: 4 - Board Members Mayer, Price, Vice Chair Roche and Chair Pia

Absent: 3 - Board Members Evans, Miller and Shaw

Attachments: Staff Report
Resolution

ADJOURNMENT

The meeting adjourned at 4:10 p.m. The next regular meeting is scheduled for Wednesday, May 8, 2013 at 4:00 p.m.

Approved

Gary E. Pia, Chair

Date

Oversight Board of the Successor Agency to the South Pasadena CRA

MEETING DATE: August 15, 2013

FROM: Hilary Straus, Assistant Executive Director
Lucy Kbjian, Executive Assistant to City Manager

SUBJECT: **Resolution Approving the Long Range Property Management Plan
for Disposition of Successor Agency Property**

Recommendation:

It is recommended that the Oversight Board adopt a resolution approving the Long Range Property Management Plan (“LRPMP”) for property located at Mound and El Centro, Assessor’s Parcel Number 5315-003-901 (“Property”), and submit the LRPMP to the Department of Finance (“DOF”).

Background:

AB X1 26, which outlines the redevelopment dissolution process, required the Community Redevelopment Agency of the City of South Pasadena (“CRA”) to transfer all of its real estate assets to the Successor Agency by February of 2012 (the CRA transferred four properties to the Successor Agency). Subsequent legislation, AB 1484, further clarified the dissolution process; and requires the Successor Agency to submit a Long Range Property Management Plan (“LRPMP”) to the Oversight Board and Department of Finance (“DOF”) that outlines the proposed plan to dispose of or use of the property formerly owned by the CRA. The LRPMP was schedule to be considered for approval by the Successor Agency on August 14, 2013.

There is only one property currently owned by the Successor Agency. Provided below is a brief summary of the property and the recommended disposition strategy:

Northeast corner of Mound and El Centro (APN 5315-003-901)

THE WESTERLY 56 FEET, BETWEEN PARALLEL LINES OF LOTS 1, 2 AND 3 IN BLOCK "G" OF THE RAYMOND VILLA TRACT NO.1, IN THE CITY OF SOUTH PASADENA, AS PER MAP RECORDED IN BOOK 1, PAGE 91 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

The approved LRPMP will serve to determine if the property should be:

1. Retained for governmental use;
2. Retained for future development;
3. Retained to fulfill an enforceable obligation; or
4. Sold

Prior to approval of a final LRPMP and subsequent disposition of real estate assets, the Successor Agency must comply with several requirements under AB 1484. The guidelines under AB 1484 outline a 5-step process for the disposition of the property:

1. Due Diligence Reviews (“DDR’s”)
 - Completed – October 12, 2012 (Housing Funds) and January 9, 2013 (Non-Housing Funds).
2. Remit all cash assets to the County-Auditor Controller and taxing entities
 - Completed – Housing cash (\$3,714) was remitted on November 8, 2012; and non-housing cash (\$952,110) was remitted on August 7, 2013.
3. DOF issues Finding of Completion
 - Completed – issued on April 26, 2013.
4. Develop and Approve LRPM Plan
 - Successor Agency Approval – scheduled for August 14, 2013.
 - Oversight Board Approval – scheduled for August 15, 2013.
 - DOF Approval – LRPM Plan must be submitted to DOF no later than October 26, 2013 (six months after Finding of Completion).
5. Dispose of real estate assets in accordance with LRPM Plan

The Successor Agency recommends the sale of the property to Genton Property Group, LLC, pursuant to a Disposition and Development Agreement, or to another developer who undertakes the Downtown Revitalization Project if Genton Property Group does not enter into an approved Disposition and Development Agreement to purchase the property and develop it pursuant to the Downtown Revitalization Project. The property is an integral piece located in the Downtown Revitalization Project Area, and its sale would facilitate the completion of the Redevelopment Plan.

Discussion:

Health and Safety Code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), requires each successor agency to prepare and approve a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency. Once approved by the Successor Agency, the LRPMP will be submitted to the Oversight Board for its consideration and approval. Following approval by the Oversight Board, the LRPMP will be submitted to the State of California, Department of Finance, for approval.

Approval of the LRPMP is a prerequisite to any disposition of property owned by the Successor Agency.

The remaining parcel of property is part of the Downtown Revitalization Project, and must be disposed of consistently with the City's adopted redevelopment plan pursuant to the terms of the Redevelopment Dissolution laws. As a result, the Successor Agency's LRPMP contemplates sale of the property to the Developer who has an Exclusive Negotiating Agreement with the City of South Pasadena and the South Pasadena Housing Authority for the other parcels which make up the publically owned parcels of the Downtown Revitalization Project ("the Project").

The Agency has obtained an appraisal for the property, and the intent of the LRPMP is to sell the property to the Project Developer at fair market value contingent upon it being developed in accordance with the approved Redevelopment Plan.

The proceeds of the sale of the land will either be retained towards payment of enforceable obligations if permitted by the Department of Finance, or shall be turned over to the County Auditor-Controller to be distributed to the taxing entities as required by the Dissolution.

Fiscal Impact:

There is no fiscal impact.

Legal Review:

The Successor Agency's legal counsel has reviewed and approved this report.

Attachment: Resolution approved the Long Range Property Management Plan

**OVERSIGHT BOARD
RESOLUTION NO. 2013-04**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN
AS PREPARED PURSUANT TO AB 1484 SECTION 34191.5
FOR THE DISPOSITION OF REAL PROPERTY ASSETS
OF THE FORMER REDEVELOPMENT AGENCY**

WHEREAS, Health and Safety Code Section 34181(a) permits the Oversight Board to the Successor Agency to South Pasadena Community Redevelopment Agency ("Oversight Board" & "Successor Agency") to direct the Successor Agency to transfer all assets of the former South Pasadena Community Redevelopment Agency that were constructed and used for a governmental purpose; and

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld ABX1 26; and

WHEREAS, pursuant to ABX1 26, all California redevelopment agencies were dissolved effective February 1, 2012; and

WHEREAS, on June 27, 2012, the Governor signed into law budget trailer bill AB 1484 ("AB 1484"). Section 34191.1 of AB 1484 requires a successor agency to receive of a finding of completion by the California State Department of Finance ("DOF") pursuant to 34179.7 before a successor agency submits its long range property management plan for consideration; and

WHEREAS, Section 34191.5 of AB 1484 requires a successor agency to prepare a long range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency; and

WHEREAS, Section 34191.3 states that if the DOF has not approved the long range property management plan by January 1, 2015, subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be operative with respect to the Successor Agency; and

WHEREAS, the Successor Agency has prepared a Long Range Property Management Plan ("LRPMP") which identifies each of the real property assets of the former South Pasadena Community Redevelopment Agency, including the Agency's preferred method of disposing of those assets pursuant to AB 1484 Section 34191.5; and

WHEREAS, the LRPMP was approved by the Successor Agency on August 14, 2013; and

WHEREAS, the LRPMP is being presented to the Oversight Board for consideration and approval.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board finds that all of the above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The Long Range Property Management Plan (LRPMP) as prepared pursuant to AB 1484 Section 34191.5 is hereby approved and adopted substantially in the form set forth in Exhibit "A" attached hereto and incorporated herein by reference.

SECTION 3. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency to take all actions as may be necessary or appropriate to carry out the Successor Agency's obligations pursuant to this resolution, including, but is not limited to, undertaking those actions required by the Health & Safety Code.

SECTION 4. The Oversight Board hereby directs the Executive Director to transmit the LRPMP for review to the California Department of Finance, pursuant to Health & Safety Code Sections 34179(h), 34181(f), and any other relevant law.

SECTION 5. The Secretary of the Oversight Board shall certify to the passage and adoption of this resolution and shall cause the same to be listed in the records of the Oversight Board.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 14th day of August, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Kbjian, Oversight Board Secretary

EXHIBIT A



Long Range Property Management Plan

Prepared by:

South Pasadena Successor Agency

August 14, 2013

Introduction

This document constitutes the Long-Range Property Management Plan (LRPMP) of the Successor Agency (Successor Agency) of the former Community Redevelopment Agency of the City of South Pasadena (CRA), prepared in accordance with Health and Safety Code Section 34191.5.

The CRA was dissolved on February 1, 2012, pursuant to ABX1 26 (as amended by AB 1484). These Redevelopment Dissolution Statutes govern the dissolution of the CRA, which includes the disposition of its former real property.

Prior to its dissolution, the CRA owned four parcels of real property (collectively, the Properties, and individually, a Property), which were located in the Downtown Revitalization Project area in the City of South Pasadena. Pursuant to the Redevelopment Dissolution Statutes, ownership of the Properties was transferred to the South Pasadena Housing Authority in early 2012. The Department of Finance has since contested the transfer of one Property, the subject of which is fully described in this LRPMP.

The Property is located within the boundaries of the South Pasadena Downtown Revitalization Project Area (Project Area) and is part of the approved and entitled Downtown Revitalization Project.

The Successor Agency is now responsible for disposition of the Property in accordance with the procedures and requirements of Redevelopment Dissolution Statutes, with particular reference to Health and Safety Code Section 34191.1, 34191.3, 34191.4(a), and 34191.5.

This LRPMP will be presented for consideration of approval on August 14, 2013, to the South Pasadena Successor Agency (i.e., South Pasadena City Council serving as the governing board of the Successor Agency).

The Successor Agency obtained a "finding of completion" from the California Department of Finance (DOF) on March 29, 2013, pursuant to Health and Safety Code Section 34179.7, that entitles the Successor Agency to submit this LRPMP for approval by the Oversight Board and DOF.

On August 15, 2013, the LRPMP will be presented to the Oversight Board of the Successor Agency (Oversight Board), which was established pursuant to the Redevelopment Dissolution Statutes, for consideration of approval. If both the Successor Agency and the Oversight Board approve the LRPMP, it will be transmitted to DOF for its approval as early as August 16, 2013.

In accordance with Health and Safety Code Section 34191.5(c), Part I of this LRPMP contains specific information related to the Property, and Part II addresses and sets forth the proposed plan for disposition and use of the Property. Also accompanying this LRPMP is the information checklist required by the DOF.

Overview of South Pasadena Redevelopment

On May 21, 2008, the City Council approved the Downtown Revitalization Project which involves the development of five building sites within a three-block area, (the “Downtown Revitalization Project”). Overall, the Downtown Revitalization Project as approved would involve the demolition of 11,950 square feet of building area (Citizen's Business Bank building and the former South Pasadena Nursery site). The proposed project would result in approximately 41,000 square feet of retail uses, restaurant uses, bank uses, office uses, and dwelling units, including a minimum of twelve (12) low- to moderate-income Senior Housing units. A total of 328 parking spaces will be provided throughout the project area on various surface lots and in a multi-level garage.

On November 2, 2008, the residents of South Pasadena voted overwhelmingly in support of the Downtown Revitalization Project by passing Measure SP. The passage of Measure SP clarified that residential uses are permitted within the City’s Redevelopment Plan to the extent it is permitted by the General Plan and Zoning Code.

On September 7, 2011, the City of South Pasadena entered into an Exclusive Negotiating Agreement with Genton Property Group, LLC (Developer). The City and the South Pasadena Housing Authority entered into an extension of that Exclusive Negotiating Agreement on December 19, 2012 and are currently negotiating a Disposition and Development Agreement (DDA) with the Developer to include the City owned and South Pasadena Housing Authority parcels within the project boundaries. The negotiations also include the single property held by the Successor Agency to be disposed of pursuant to the Redevelopment Dissolution Statutes.

The Downtown Revitalization Area consists of property primarily located within the boundaries of Mission Street, Fair Oaks Avenue, Oxley Street, and Mound Avenue.

- 1) Approximately .61 acres (comprising two undeveloped parcels on each side of El Centro owned by the Authority totaling .31 acres and two developed parcels at the corner of El Centro and Mound owned by the Authority totaling .3 acres) currently owned by the City or the Authority in fee simple;
- 2) Approximately 0.60 acres comprised of streets, alleys and lanes to which City has a dedicated public right-of-way easement;
- 3) Approximately 1.89 acres of property south of Mission Street and East of Fair Oaks Avenue; and,
- 4) Approximately 0.717 acres generally located adjacent to the areas described above, which are currently owned by various third parties.

Downtown Project Area South Pasadena, CA



LEGEND

-  Downtown Project Area of Existing Entitlements
-  Contested Parcel
-  South Pasadena Housing Authority Owned Parcels

Part I:
Property Information

Property Type	Parking Lot
Permissible Use	Commercial Site
Address	1500 El Centro Street, South Pasadena, CA 91030
APN #	5315-003-901
Lot Size	8452 square feet
Current Zoning	Commercial General (CG)

The Property was acquired by the former Community Redevelopment Agency (CRA) by eminent domain (July 25, 1980) specifically for the purpose of redevelopment as part of the ultimately approved project.

The Property is an integral part of the Downtown Revitalization Project Area.

The Department of Finance disallowed the transfer of the Property known as 1500 El Centro, South Pasadena, CA (APN # 5315-003-901), a lot consisting of 8,452 square feet, approximately 0.19 acres, transferred from the Successor Agency of the Redevelopment Agency of the City of South Pasadena to the South Pasadena Housing Authority on February 1, 2012, to be used for development of low- and moderate-income housing on the Project site as shown in the Entitlements (the “contested parcel”). The Department of Finance also disallowed a government use transfer of the contested parcel to the City for use as a parking lot on July 24, 2013.



**Part II:
Property Disposition and Use**

The Property will be disposed and used in accordance with the approved South Pasadena Redevelopment Plan, which identifies the development of the Downtown Revitalization Project and includes the Property as part thereof.

The City of South Pasadena and South Pasadena Housing Authority have entered into an Exclusive Negotiation Agreement (ENA) with developer, Genton Property Group, LLC, to develop a mixed-use project, including public parking, residential (including low- and moderate-income senior housing units, retail and other commercial uses, in the block bounded by Mission Street on the north, El Centro Street on the south, Fair Oaks Avenue on the east, and Mound Avenue on the west.

The Property that is covered by this Long Range Property Management Plan is 0.19 acres in size, APN number: 5315-003-901, and is located on northeast corner of the intersection of Mound Avenue and El Centro Street.

The Property, part of the City's redevelopment project area, is intended to be disposed by the Successor Agency to the developer of the Downtown Revitalization Project, Genton Property Group, LLC, or to any developer that has entered into an Exclusive Negotiation Agreement with the City of South Pasadena should Genton Property Group, LLC, not complete its development of the Downtown Revitalization Project.

The Property is integral to the Downtown Revitalization Project in that a portion of an underground parking garage supporting the Project will be built within the property's boundaries, ground level commercial storefronts will be built on a portion of the property and second and third floor residential units will be built on a portion of the property.

Exclusion of the property would render the Downtown Revitalization Project unfeasible to build.

The City/Successor Agency/Housing Authority are currently negotiating one or more Disposition and Development Agreements (DDA) with Genton Property Group, LLC, which will specify the terms and conditions for the developer to develop the Downtown Revitalization Project and shall include a sale of the Property to the developer, with the sale contingent upon execution of an agreement committing the Property to be developed in accordance with the approved Redevelopment Plan.

The DDA will also specify how the Property will be sold to Genton Property Group, LLC, or to any developer that has entered into an Exclusive Negotiation Agreement with the City of South Pasadena/Successor Agency/Housing Authority should Genton Property Group, LLC, not complete its development of the Downtown Revitalization Project.

The Property will be sold to Genton Property Group, LLC, for fair market value based upon an appraisal.

