

A G E N D A

SPECIAL MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

THURSDAY, JUNE 2, 2022, 8:30 AM

STADIUM CENTRE
Sixth Floor Executive Board Room
2099 South State College Boulevard
Anaheim, California 92806

HON. BRIAN PROBOLSKY
Chairman

HON. STEVE JONES
Vice Chairman

CHARLES BARFIELD
Board Member

STEVE FRANKS
Board Member

ANIL KUKREJA
Board Member

DEAN WEST, CPA
Board Member

HON. PHILLIP E. YARBROUGH
Board Member

Staff

Hon. Frank Davies, CPA, Auditor-Controller
Kathy Tavoularis
Chris Nguyen

Counsel

Patrick K. Bobko

Clerk of the Board

Kathy Tavoularis

The Orange Countywide Oversight Board welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. Speaker Forms are located next to the Speaker Form Return box. When addressing the Board, please state your name for the record prior to providing your comments.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board 72 hours prior to the meeting at (714) 834-2458****

The Orange Countywide Oversight Board encourages the public to participate by submitting emails at kathy.tavoularis@ac.ocgov.com by 7:30 AM the day of the meeting, or calling (714) 834-2458 and leaving a message before 7:30 AM the day of the meeting, if you want to provide comments on agenda items or other subject matters within the Orange Countywide Oversight Board's jurisdiction. The Orange Countywide Oversight Board and Staff thank you in advance for taking all precautions to prevent spreading COVID-19. If you have any questions, please contact the Orange County Auditor-Controller's Office at (714) 834-2458.

All supporting documentation is available for public review online at <http://ocauditor.com/ob/> or in person in the office of the Auditor-Controller located at 1770 North Broadway, Santa Ana, California 92706 during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Friday

A G E N D A

SPECIAL MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

8:30 A.M.

DISCUSSION ITEMS:

1. Call to Order
2. Pledge of Allegiance
3. Adopt Resolution Concerning Teleconferenced Meetings During State of Emergency
4. Approval of the Minutes from April 19, 2022 Regular Meeting
5. Adopt Resolution Directing the Successor Agency to the La Habra Redevelopment Agency to Take Actions for Sale of a Parking Lot Parcel

COMMENTS & ADJOURNMENT:

PUBLIC COMMENTS:

At this time members of the public may address the Board on any matter not on the agenda but within the jurisdiction of the Board. The Board may limit the length of time each individual may have to address the Board.

STAFF COMMENTS:

- Next Meeting: July 19, 2022

BOARD COMMENTS:

CLOSED SESSION:

CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – INITIATION OF LITIGATION – Pursuant to Government Code Section 54956.9(d)(4):
Number of Cases: One Case

ADJOURNMENT

NEXT MEETING:

Regular Meeting July 19, 2022 – 8:30 AM

Orange Countywide Oversight Board

Date: 6/2/2022

Agenda Item No. 3

From: Staff to the Orange Countywide Oversight Board

Subject: Resolution of the Countywide Oversight Board Approving Teleconference Meetings During a Proclaimed State of Emergency

Recommended Action:

Approve resolution for continuing teleconference meetings during a proclaimed state of emergency.

On September 16, 2021, Governor Gavin Newsom signed Assembly Bill 361 (“AB 361”) into law, amending the Ralph M. Brown Act (Gov. Code, § 54950 et seq.) (the “Brown Act”). AB 361 codified certain modified requirements for teleconference meetings held by public agencies, similar to those previously authorized and extended by executive order during the COVID-19 State of Emergency.

AB 361 was introduced to provide a longer-term solution for teleconference meetings during states of emergency, effective until January 1, 2024. AB 361 amends Section 54953 of the Government Code to allow the legislative body of a local agency to meet remotely without complying with the normal teleconference rules for agenda posting, physical location access, or quorum rules. To do so, one of three scenarios must exist, all of which require that the Governor has proclaimed a State of Emergency pursuant to Government Code section 8625:

- A. State or local officials have imposed or recommended measures to promote social distancing;
- B. The agency is holding a meeting for the purpose of determining whether meeting in person would present imminent risks to the health or safety of attendees; or
- C. The agency is holding a meeting and has determined that meeting in person would present imminent risks to the health or safety of attendees.

(Gov. Code, § 54953(e)(1).)

An agency and any committee that is required to comply with the Brown Act, that holds a meeting under either of the three scenarios must continue to post its agenda in the time required by the Brown Act and ensure that the public is able to address the board directly through teleconference means. (Gov. Code, § 54953(e)(2)). If a disruption prevents the agency or committee from broadcasting the meeting or receiving public comments in real time, the agency or committee cannot take further action until those functions are restored; any actions taken during such a disruption are subject to legal challenge. (Gov. Code, § 54953(e)(2)).

Assuming the State of Emergency remains in effect, if the Countywide Oversight Board for the County of Orange (the “Oversight Board”) wishes to continue meeting under the modified rules, then the Oversight Board must adopt an initial resolution within 30 days of the first teleconference meeting, and then must adopt an extension resolution at least every 30 days thereafter. (Gov. Code, § 54953(e)(3)). The resolution must contain findings stating the Oversight Board reconsidered the circumstances of the State of Emergency and either: (1) the State of Emergency continues to directly impact the ability of the Oversight Board’s members to meet safely in person; or (2) State or local officials continue to impose or recommend measures to promote social distancing. (Gov. Code, § 54953(e)(3)).

Where consecutive regular meetings fall outside the 30-day time frame, the Oversight Board should hold a special “AB 361” remote meeting within the 30-day window simply to re-authorize the AB 361 exceptions.

Without the AB 361 exceptions, the Oversight Board will be required to return to normal in-person meetings or provide public access at each remote location under the traditional teleconference rules, as of October 1,

2021. Therefore, if the AB 361 authorization lapses and the Oversight Board wishes to hold a teleconference meeting, it will be required to post agendas and provide public access at each remote location, identify those locations in the agenda, and maintain a quorum of the board within agency boundaries. If a meeting is not held in conformity with AB 361, board members may not teleconference from their residences or other locations which are not open and accessible to the public.

With rising COVID-19 case counts and hospitalizations, the Oversight Board wishes to retain the option of returning to teleconference meetings, as needed.

Impact on Taxing Entities

None.

Attachment

Resolution

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 22-025**

**RECOGNIZING A STATE OF EMERGENCY AND
AUTHORIZING TELECONFERENCED MEETINGS PURSUANT TO AB 361**

WHEREAS, in response to the novel coronavirus (“COVID-19”) pandemic, Governor Newsom adopted a series of Executive Orders allowing the legislative bodies of local governments to meet remotely via teleconference, so long as other provisions of the Ralph M. Brown Act (“Brown Act”) were followed; and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361, which immediately amended the Brown Act allowing governing boards to continue holding virtual meetings outside the teleconferencing requirements of Government Code section 54953(b), if the board makes a finding that there is a proclaimed State of Emergency, and either (1) state or local officials have imposed or recommended social distancing measures, or (2) meeting in person would present imminent risks to the health or safety of attendees due to the emergency; and

WHEREAS, on March 4, 2020, Governor Newsom declared a statewide emergency arising from COVID-19 pursuant to Government Code section 8625; and

WHEREAS, the Countywide Oversight Board within the County of Orange (“Oversight Board”) believes the spread of COVID-19 poses an imminent risk to the health and safety of in person meeting attendees; and

WHEREAS, the Oversight Board is committed to open and transparent governance in compliance with the Brown Act; and

WHEREAS, the Oversight Board is conducting virtual meetings by way of telephonic and/or internet-based services as to allow members of the public to fully participate in meetings and offer public comment; and

WHEREAS, the Oversight Board adopted Resolution No. 22-008, authorizing teleconferenced meetings pursuant to AB 361; and

WHEREAS, in light of rising COVID-19 case counts and hospitalizations, the Oversight Board may need to return to teleconference meetings to protect public health;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD that the recitals set forth above are true and correct and fully incorporated into this Resolution by this reference; and

BE IT FURTHER RESOLVED that the Oversight Board recognizes that a State of Emergency in the State of California continues to exist due to the COVID-19 pandemic; and

BE IT FURTHER RESOLVED that the governing board recognizes that social distancing measures remain recommended by state and local officials; and

BE IT FURTHER RESOLVED, the Oversight Board continues to authorize the use of teleconferencing, as needed, for meetings in accordance with Government Code section 54953(e) and all other applicable provisions of the Brown Act, for a period of 30 days from the date of the adoption of this resolution, or such time that the Oversight Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3).

**MINUTES
REGULAR MEETING OF THE
ORANGE COUNTYWIDE OVERSIGHT BOARD**

April 19, 2022, 8:30 a.m.

1. CALL TO ORDER

A regular meeting of the Orange Countywide Oversight Board was called to order at 8:31AM on April 19, 2022, via Zoom Webinar by Vice Chairman Jones, presiding officer.

Present:	6	Chairman:	Brian Probolsky (arrived after Item 5)
		Vice Chairman:	Steve Jones
		Board Member:	Dean West
		Board Member:	Phil Yarbrough
		Board Member:	Steve Franks
		Board Member:	Charles Barfield
		Board Member:	Anil Kukreja (arrived after Item 4)

Absent: 0

Also Present: Kathy Tavoularis, Staff and Clerk of the Board; Patrick “Kit” Bobko, Legal Counsel; Chris Nguyen, Consultant; Cameron Wessel, Consultant; Joe Sturges, Staff

2. PLEDGE OF ALLEGIANCE

Board Member Franks led the group in the Pledge of Allegiance.

3. Adopt Resolution Concerning Teleconferenced Meetings During State of Emergency

Vice Chairman Jones moved and Board Member Yarbrough seconded to adopt the Resolution concerning teleconferenced meetings during the state of emergency. Roll call vote.

YES – Jones, Franks, West, Barfield, Yarbrough
NO – N/A
N/A – Probolsky
Absent – Kukreja

4. APPROVAL OF THE MINUTES FROM FEBRUARY 23, 2022 SPECIAL MEETING

Board Member Yarbrough moved and Board Member Barfield seconded to approve the minutes from the February 23, 2022 Special Meeting.

YES – Jones, Franks, West, Barfield, Yarbrough
NO – N/A
N/A – Probolsky
Absent – Kukreja

Board Member Kukreja entered the virtual meeting.

5. ADOPT AMENDMENT TO EXISTING ENFORCABLE OBLIGATION

a. Placentia

Jeanette Ortega from the Placentia Successor Agency shared a PowerPoint presentation. Dan Massiello with Kosmont delivered the presentation on behalf of the Placentia Successor Agency. Their goals with this agenda item are to reduce the interest rate, shorten the term by one full year, and Placentia will benefit by having one of its properties released from lease agreement.

Board Member Yarbrough expressed his appreciation of the report from Mr. Massiello. He then asked if there are there any costs involved and, if so, are they added to the balance.

Mr. Massiello responded that, while there are costs, the savings far outweigh the overall cost. He stated that as he recalled the total costs are \$123,500, but he will need to check that figure to confirm.

Board Member Yarbrough asked if there are further restrictions.

Mr. Massiello stated that the only changes are in the 2022 financing. The 2.35% interest rate remains locked in until June 7.

Board Member Yarbrough commented that a similar approach had been taken by the County of Orange Successor Agency on another project, and it resulted in savings for taxpayers. The reduction in costs due to halving the interest rate is a good solution.

Board Member Yarbrough motioned and Board Member West moved to adopt the Resolution.

Board Member Barfield expressed his appreciation for the efficient presentation.

YES – Jones, Franks, West, Barfield, Kukreja, Yarbrough

NO – N/A

N/A – Probolsky

CLOSED SESSION:

CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – INITIATION OF LITIGATION – Pursuant to Government Code Section 54956.9(d)(4):

Number of Cases: One Case

The Board returned from closed session at 9:15AM. Counsel Bobko announced that there was no reportable action.

DISCUSSION ITEM:

6. Adopt Resolution Regarding Long-Range Property Management Plan (LRPMP) and Agency Parcel and Issue Further Direction Concerning Agency Parcel

a. La Habra

Chairman Probolsky recognized Elizabeth Hull from the law firm Best, Best, and Krieger, representing the La Habra Successor Agency.

Ms. Hull made a presentation regarding the La Habra Successor Agency's proposed long-range property management plan (LRPMP) amendment regarding the final parcel held by the agency.

Ms. Hull noted the parcel has a deed restriction, owner participation agreement with La Habra Associates (owner of the adjacent property), and associated entitlements, all mandating the parcel's continued usage as a parking lot in perpetuity. She stated the agency's belief that the parcel should have been designated for governmental use in the 2015 LRPMP and transferred to the City of La Habra with other agency properties at the time, but it was not for whatever reason.

Ms. Hull stated that La Habra is asking the Oversight Board to approve a redesignation from sale to governmental use and transfer it to the City so that it can remain a parking lot, as required by the entitlements and deed restriction. She noted that La Habra had provided the Oversight Board with a letter from CBRE, stating a broker's opinion of value that the parcel is valued at zero.

Board Member Yarbrough asked why La Habra did not make a different designation in 2016.

Ms. Hull stated it appeared to be an oversight, but neither she nor any of the current La Habra staff were involved in the process at that time.

Board Member West asked about the origin of Attachment 1 (the LRPMP sheet) to the Resolution and whether it was a current document or a historical document.

Miranda Cole-Corona from the City of La Habra stated that staff had taken the original LRPMP and made the amendment which was highlighted in yellow to demonstrate the change to the Oversight Board.

Board Member West asked if the document was altered for purposes of the proposed amendment.

Ms. Cole-Corona stated staff took the Excel sheet she found for the original LRPMP and updated it.

Board Member West asked Ms. Cole-Corona to confirm that it was an Excel document, not a Word document.

Ms. Cole-Corona expressed her belief that she had found an Excel document.

Board Member West asked La Habra to read line 4 on the document.

Ms. Hull interjected that the document is a reflection of what La Habra would like the Board to adopt.

Board Member West stated that was the same thing that Ms. Cole-Corona had said and that the altered document was the proposal, which Ms. Hull confirmed. He then asked what changes were made on line 4 of the document.

Ms. Hull believed the change was to replace “sale” with “transfer to city” instead but deferred to Ms. Cole-Corona for the answer.

Ms. Cole-Corona stated that under the “value basis” column, she added “letter of value” and a proposed value of zero under the “estimated current value” column. She apologized that she did not enter the date of May 26, 2021 under the “date of estimated current value” column. She changed the entry to “transfer to City” under the “proposed sale date” column.

Board Member West asked for confirmation that the acquisition date was correct on the document as to when the former redevelopment agency acquired the property.

Ms. Cole-Corona believed that was the original date of the deed recording.

Board Member West asked what the value of the parcel at the time was.

Ms. Cole-Corona stated that was the cost the agency paid for the parcel at the time.

Board Member West asked what the cost was.

Ms. Cole-Corona stated the cost was \$2.5 million.

Board Member West asked if \$2.5 million was what was put in the “value at time of purchase” column.

Ms. Cole-Corona stated she did, but Ms. Hull interjected to tell Ms. Cole-Corona that she was missing a zero.

Board Member West asked if Microsoft Excel dropped a zero.

Ms. Cole-Corona stated it was missing a zero.

Board Member West expressed his strong familiarity with Excel and how he had never had an Excel document drop a zero before.

Ms. Cole-Corona apologized stating that she did not know why, but it was missing a zero.

Board Member West stated he had no further questions. Chairman Probolsky asked if there were any other questions from Board Members.

Board Member Yarbrough moved and Board Member Barfield seconded to reject La Habra’s resolution and substitute it with a resolution to dispose of the property.

Board Member West asked if the substitute resolution would be brought back to the Board at a later date to address. Chairman Probolsky clarified that this would be direction to staff to do what Board Member West described. Board Member West's zoom connection dropped momentarily at this point.

Counsel Bobko suggested it might be better to bifurcate the motion: one motion to reject La Habra's proposal and another motion to direct staff to bring a resolution to direct disposition of the property.

Board Member Yarbrough and Board Member Barfield agreed to amend their motion to what Counsel Bobko suggested.

On the motion to reject La Habra's proposal:

YES – Probolsky, Jones, Franks, Barfield, Kukreja, Yarbrough
NO – N/A
Absent – West

Clerk Tavoularis asked Chairman Probolsky to hold a separate vote on the second motion. Counsel Bobko asked Board Member Yarbrough to restate the second motion.

Board Member Yarbrough moved and Board Member Barfield seconded to direct staff to prepare a resolution to dispose of the La Habra property.

YES – Probolsky, Jones, Franks, Barfield, Kukreja, Yarbrough
NO – N/A
Absent – West

COMMENTS & ADJOURNMENT:

Chairman Probolsky asked Counsel Bobko if the second closed session was necessary.

Counsel Bobko stated it was not, but that there would probably need to be a special meeting before the July 19 regular meeting.

PUBLIC COMMENTS:

None.

STAFF COMMENTS:

Clerk Tavoularis reported that the next scheduled regular meeting is on July 19, 2022.

BOARD COMMENTS:

Chairman Probolsky noted the regular meeting on July 19 and stated that it is likely there will be inquiries for members' schedules about availability for a special meeting prior to that date.

ADJOURNMENT

Board Member Yarbrough moved and Board Member Kukreja seconded to adjourn the meeting.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

KATHY TAVOULARIS
CLERK OF THE BOARD

DATE

Orange Countywide Oversight Board

Agenda Item No. 5

Date: June 2, 2022

From: Staff to the Orange Countywide Oversight Board

Subject: Resolution of the Countywide Oversight Board directing the Successor Agency to the La Habra Redevelopment Agency (the “**Successor Agency**”) to take actions for the sale of a parking lot parcel (located at northside of West Imperial Highway and east of South Beach Boulevard) in the City of La Habra

Recommended Action: Approve resolution to direct the Successor Agency to take actions for the sale of the parking lot parcel.

Pursuant to Health and Safety Code (“**HSC**”) Section 34191.5(b), the Successor Agency prepared a long-range property management plan (“**LRPMP**”) to address the disposition of the former La Habra Redevelopment Agency’s real properties. The California State Department of Finance (the “**DOF**”) approved the LRPMP on September 11, 2015. HSC Section 34191.3(a) provides that once the LRPMP was approved by the DOF, the LRPMP shall govern with respect to the properties listed on the LRPMP.

Listed on the LRPMP is a 2.84 acre parcel (APN 018-381-64) (the “**Property**”). The Property serves as a parking lot for a commercial shopping center, known as the La Habra Marketplace, located at the northside of West Imperial Highway and east of South Beach Boulevard in the City of La Habra (the “**City**”). On the LRPMP, the Successor Agency reported that the estimated value of the Property was \$2.5 million, and the Property was intended for sale.

Despite having an approved LRPMP since 2015, and repeated inquiries by the Countywide Oversight Board, the Successor Agency has not yet sold the Property. On April 4, 2022, the Successor Agency adopted its Resolution No. 2022-02, requesting the Countywide Oversight Board to approve an amendment to the LRPMP. The Successor Agency proposed to re-designate the Property from “sale” to “governmental use” and, this way, the Property may be transferred to the City without any compensation to the taxing entities and the City may continue using the Property as a parking lot for the shopping center.

After consideration (including a review of the relevant law), the Countywide Oversight Board decided to reject the Successor Agency’s request and directed the Countywide Oversight Board staff to prepare the attached Resolution. With the adoption of this Resolution, the Oversight Board will direct the Successor Agency to take meaningful actions toward the sale of the Property – by conducting a process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation must include public notices and/or advertisements).

Impact on Taxing Entities

Upon the successful sale of the Property, the proceeds from such sale will be distributed as property tax to the taxing entities pursuant to HSC Section 34191.5(c)(2)(B).

Attachment:
Resolution

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 22-026

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD DIRECTING THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY TO TAKE ACTIONS FOR THE SALE OF A PARKING LOT PARCEL LOCATED AT NORTHSIDE OF WEST IMPERIAL HIGHWAY AND EAST OF SOUTH BEACH BOULEVARD IN THE CITY OF LA HABRA AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011 and the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the La Habra Redevelopment Agency (the “**Former Agency**”) and all other redevelopment agencies within the State of California (the “**State**”) were dissolved as of February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code (“**HSC**”) Section 34173(d), the City Council of the City of La Habra (the “**City**”) adopted Resolution No. 5508 on January 12, 2012, and elected for the City to become the Successor Agency to the La Habra Redevelopment Agency (the “**Successor Agency**”); and

WHEREAS, the Successor Agency is the successor entity to the Former Agency and is tasked with winding down the Former Agency’s affairs; and

WHEREAS, pursuant to HSC Section 34179, each successor agency is under the jurisdiction of an oversight board, consisting of seven members selected in accordance with HSC Section 34179; and

WHEREAS, pursuant to HSC Section 34179(i), oversight boards have fiduciary duties to the taxing entities that benefit from the distribution of property tax and other revenues of the successor agencies; and

WHEREAS, pursuant to HSC Section 34179(a), prior to July 1, 2018, there was an individual oversight board for each successor agency; and

WHEREAS, pursuant to HSC Section 34179(j), commencing July 1, 2018, individual oversight boards for successor agencies were dissolved and, with limited exceptions, a single county-wide oversight board was created within each county and each countywide oversight board subsumed and continued the responsibilities of the individual oversight boards within the relevant county; and

WHEREAS, commencing July 1, 2018, the Orange Countywide Oversight Board (the “**Countywide Oversight Board**”) has jurisdiction over the Successor Agency; and

WHEREAS, pursuant to HSC Section 34191.5(b), the Successor Agency was required to prepare a long-range property management plan to address the disposition and use of the real properties of the Former Agency, and submit such plan to the then-oversight board and the State Department of Finance (the “**DOF**”) for approval; and

WHEREAS, on July 30, 2015, the then-oversight board adopted a resolution approving a Second Revised Long-Range Property Management Plan (the “**LRPMP**”) prepared by the Successor Agency; and

WHEREAS, the DOF approved the LRPMP on September 11, 2015; and

WHEREAS, pursuant to HSC Section 34191.3, upon the DOF’s approval of the LRPMP, the LRPMP shall govern and supersede other provisions relating to the disposition and use of the real property assets of the Former Agency; and

WHEREAS, among the properties listed on the LRPMP is a 2.84 acre parcel (APN 018-381-64) (the “**Property**”); and

WHEREAS, the Property serves as a parking lot for a commercial shopping center, known as the La Habra Marketplace, located at the northside of West Imperial Highway and east of South Beach Boulevard in the City; and

WHEREAS, on the LRPMP, the Successor Agency reported that the estimated current value of the Property was \$2.5 million and the Property was intended for sale; and

WHEREAS, pursuant to HSC Section 34191.5(c)(2)(B), if the LRPMP directs a property to be sold, the proceeds from such sale shall be distributed as property tax to the taxing entities; and

WHEREAS, despite having an approved LRPMP since 2015, and repeated inquiries by the Countywide Oversight Board, the Successor Agency has not yet sold the Property; and

WHEREAS, at the Countywide Oversight Board’s meeting on February 23, 2022, the Successor Agency informed the Oversight Board that the Successor Agency would seek approval for an amendment to the LRPMP, in order to redesignate the Property from “sale” to “governmental use” and, this way, the Property may be transferred to the City without any compensation to the taxing entities and the City may continue using the Property as a parking lot for the shopping center; and

WHEREAS, the Successor Agency adopted its Resolution No. 2022-02 on April 4, 2022 (the “**Successor Agency Resolution**”) to formally request the Countywide Oversight Board to approve such amendment to the LRPMP; and

WHEREAS, the Successor Agency pointed to a restrictive covenant in the deed under which the Former Agency acquired the Property (the “**Parking Restrictive Covenant**”); and

WHEREAS, the Parking Restrictive Covenant requires the Property to be used solely for a surface level public parking lot; and

WHEREAS, in the Successor Agency’s staff report, the Successor Agency contended that, because of this Parking Restrictive Covenant, “staff has determined that the sale of this property is not feasible”; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency stated that “[HSC] Section 34191.3 allows successor agency to amend its LRPMP once, solely to allow for retention of real properties that constitute ‘parking facilities and lots dedicated solely to public parking’ for governmental use”; and

WHEREAS, the Countywide Oversight Board reviewed HSC Section 34191.3 and the facts presented, and decided to reject the Successor Agency’s request for the approval of the proposed LRPMP amendment, for the reasons below; and

WHEREAS, the text of HSC Section 34191.3(b), read in its entirety, is as follows (with emphasis added):

“(b) If the [DOF] has approved a successor agency’s long-range property management plan prior to January 1, 2016, the successor agency may amend its long-range property management plan once, solely to allow for retention of real properties that constitute “parking facilities and lots dedicated solely to public parking” for governmental use pursuant to Section 34181. An amendment to a successor agency’s long-range property management plan under this subdivision shall be submitted to its oversight board for review and approval pursuant to Section 34179, **and any such amendment shall be submitted to the [DOF] prior to July 1, 2016**”; and

WHEREAS, per the text of HSC Section 34191.3(b), the deadline for the submission of any amendment to the LRPMP (the “**7/1/2016 Amendment Deadline**”) has long expired; and

WHEREAS, the DOF confirmed, in a March 3, 2022 e-mail (responding to an inquiry by the counsel to the Countywide Oversight Board) that there is no provision in the HSC that would allow the Successor Agency to amend the LRPMP at this time; and

WHEREAS, the Former Agency acquired the Property pursuant to a deed executed by La Habra Associates, the owner of the shopping center, as grantor, in 1990 (the “**1990 Deed**”), and

WHEREAS, the Parking Restrictive Covenant was in effect when the LRPMP was prepared and, at that time, the Successor Agency indicated on the LRPMP that the Property was intended to be sold and estimated that the then-current value of the Property was \$2.5 million; and

WHEREAS, in the staff report to the Countywide Oversight Board, the Successor Agency asserted that when the LRPMP was first approved, the Successor Agency believed that the DOF would not accept the classification of parking lots as “governmental use,” and, later, HSC Section 34191.3(b) (part of Senate Bill 107 approved in 2015 (“SB 107”)) appeared to provide a basis to amend the LRPMP to reclassify the Property; and

WHEREAS, the Successor Agency Resolution (requesting the County Oversight Board to approve the LRPMP amendment) omitted any reference to the 7/1/2016 Amendment Deadline for the submission of such an amendment; and

WHEREAS, even if the 7/1/2016 Amendment Deadline did not exist, the Countywide Oversight Board would still have the discretion to reject the proposed amendment to the LRPMP; and

WHEREAS, in any event, according to information available on the State legislature's website, SB 107 was enacted and approved by the Governor on September 22, 2015, and the DOF approved the Successor Agency's LRPMP on September 11, 2015; and

WHEREAS, months passed between the enactment of SB 107 and the 7/1/2016 Amendment Deadline, during which the Successor Agency could have submitted an amendment to the DOF pursuant to HSC Section 34191.3(b), but the Successor Agency did not do so; and

WHEREAS, close to seven years has elapsed since the DOF's approval of the LRPMP; and

WHEREAS, after the Countywide Oversight Board made multiple inquiries with the Successor Agency about the Successor Agency's obligation to complete implementation of the LRPMP, the Successor Agency now: (i) asserts that a sale is not feasible because of the Parking Restrictive Covenant, and (ii) proposes an amendment to the LRPMP, so the Property can be transferred to the City at no compensation to the taxing entities; and

WHEREAS, the Successor Agency has not taken meaningful actions which would prove that a sale of the Property is not feasible – such as a formal solicitation of potential buyers or any substantive advertising of the potential sale of the Property; and

WHEREAS, the Successor Agency has only submitted a letter, dated May 26, 2021 (the “**Broker Opinion Letter**”), prepared by CBRE – Valuation and Advisory Services, which apparently concluded that the Property has no intrinsic value; and

WHEREAS, the Broker Opinion Letter was addressed to and appeared to have been prepared at the request of, Stephen Koen, Vice President of Property Management at DJM Capital; and

WHEREAS, the posted agenda and minutes of the Successor Agency's February 22, 2022 meeting designate "City Negotiator: Jim Sadro, City Manager and Stephen Koen, VP of Property Management with DJM Capital, Inc. as Agent for La Habra Associates" and also designate "Negotiating Parties: La Habra Redevelopment Agency, Owner;" and

WHEREAS, DJM Capital's website shows that La Habra Marketplace is part of DJM Capital's portfolio; and

WHEREAS, pursuant to HSC Section 34179(p), on matters within the purview of the Countywide Oversight Board, decisions by the Countywide Oversight Board supersede those made by the Successor Agency or the staff of the Successor Agency; and

WHEREAS, HSC Section 34181 states, in relevant part (with emphasis added):

“The oversight board **shall direct** the successor agency to do all of the following:

(a) (1) Dispose of all assets and properties of the former redevelopment agency...Disposal shall be done expeditiously and in a manner aimed at maximizing value;"

WHEREAS, while HSC Section 34191.3(a) suspended certain requirements of HSC Section 34181(a) until the LRPMP had been approved by the DOF and HSC Section 34191.3(a) further provides that, once the LRPMP was approved by the DOF, the LRPMP shall govern, the Countywide Oversight Board's directions for the Successor Agency to take actions regarding the sale of the Property as provided in this Resolution are consistent with all of the following, without conflict: (i) the LRPMP, (ii) the Countywide Oversight Board's mandate under HSC Section 34181(a), and (iii) the Countywide Oversight Board's fiduciary duties to the taxing entities; and

WHEREAS, a notice to the public of the proposed adoption of this Resolution was posted at least 10 days before the meeting during which the Countywide adopted this Resolution; and

WHEREAS, the Successor Agency stated to the Countywide Oversight Board that the State's Surplus Land Act, set forth in Government Code Section 54220 *et seq.* (the "**Surplus Land Act**") may be applicable to the transfer of the Property; and

WHEREAS, the State's Department of Housing and Community Development ("**HCD**") is charged with implementing the Surplus Land Act; and

WHEREAS, HCD has confirmed to the counsel to the Countywide Oversight Board that, pursuant to Government Code Section 54221, the transfer of the Property – regardless of whether it is to the City (as proposed by the Successor Agency) or via sale to a third party – would be subject to the Surplus Land Act, unless the Successor Agency makes a declaration that the Property is "exempt surplus land" pursuant to Government Code Section 54221(f);

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. The Successor Agency is hereby directed to take the following actions to implement the LRPMP with respect to the Property (and comply with the parameters set forth in Section 3):

- (a) If the Successor Agency determines that the Property is "exempt surplus land" pursuant to Government Code Section 54221(f), then it shall take the necessary actions for the appropriate declaration and submittals to HCD, in accordance with the Surplus Land Act and HCD's guidelines, and
 - (i) No later than October 18, 2022, the Successor Agency shall have completed a process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation shall include public notices and/or advertisements); and

- (ii) The Successor Agency shall provide a report on the result of such solicitation at the immediately next Countywide Oversight Board meeting; and
 - (iii) Based on the result of the solicitation, the Successor Agency shall conduct good faith negotiation for the sale of the Property with the goal of completing the sale no later than March 1, 2023 or as soon thereafter as possible.
- (b) If the Successor Agency does not take any action to declare the Property as “exempt surplus property” under the Surplus Land Act, then by no later than October 18, 2022, the Successor Agency shall commence the process required by HCD regarding the sale of the Property pursuant to the Surplus Land Act; and
- (i) The Successor Agency shall provide a report to the Countywide Oversight Board no later than March 1, 2023 of the proceedings pursuant to the process under the Surplus Land Act; and
 - (ii) If the process required under the Surplus Land Act does not result in a sale of the Property, then by no later July 1, 2023, the Successor Agency shall have completed a separate process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation shall include public notices and/or advertisements); and
 - (iii) The Successor Agency shall provide a report on the result of such solicitation at the immediately next Countywide Oversight Board meeting; and
 - (iv) Based on the result of the solicitation, the Successor Agency shall conduct good faith negotiation with the goal of completing the sale no later than October 1, 2023 or as soon thereafter as possible.

SECTION 3. The Successor Agency shall take all necessary and appropriate steps to disclose to the potential buyers that the purchase of the Property will be subject to the Parking Restrictive Covenant.

SECTION 4. In the event that the Successor Agency does not comply with the provisions of this Resolution, the Chair of the Countywide Oversight Board is hereby authorized to direct Countywide Oversight Board counsel to take such actions on the Board’s behalf with the appropriate State superior court for the issuance of a writ of mandate to compel the Successor Agency’s compliance. Members of the Countywide Oversight Board and members of Countywide Oversight Board staff and consultants, collectively and each individually, are hereby authorized and directed to assist with such court proceedings.

SECTION 5. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act, set forth in Public Resources Code Section 21000 et seq. (“CEQA”). Pursuant to the State CEQA Guidelines set forth in 14 Cal Code Regs 15000 et seq. (the “Guidelines”), in light of anticipated “as-is” sale of the Property (particularly because of

the Parking Restrictive Covenant), the Countywide Oversight Board has determined that the approval of this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment, and therefore, the actions taken under this Resolution are not a project pursuant to CEQA and, further, are exempt therefrom because they are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)).

SECTION 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Countywide Oversight Board declares that the Countywide Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. Upon the Countywide Oversight Board's adoption of this Resolution, staff of the Countywide Oversight Board is hereby directed to transmit this Resolution to the DOF for review.

SECTION 8. This Resolution shall become effective upon the earliest of the following (the "**Effective Date**"): (i) the DOF's approval or deemed approval, or (ii) the issuance by the DOF of a letter stating, in effect, that no DOF approval is necessary for this Resolution to become effective, because this Resolution pertains to actions to implement the disposition of the Property pursuant to the LRPMP.

SECTION 9. The Clerk of the Countywide Oversight Board shall certify to the adoption of this Resolution.