



**NOTICE OF SPECIAL MEETING  
MILLBRAE CITY COUNCIL  
MILLBRAE REDEVELOPMENT AGENCY  
MINUTES  
December 5, 2011**

**CALL TO ORDER MILLBRAE CITY COUNCIL AND REDEVELOPMENT AGENCY**

Mayor Quigg called the meeting to order at 7:00 p.m.

**ROLL CALL:** Mayor/Agency Chair Daniel F. Quigg, Vice Mayor/Agency Vice Chair Marge Colapietro, Agency/Council Members Gina Papan, Nadia V. Holober, and Paul Seto

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

**AGENDA OVERVIEW/STAFF BRIEFING**

City Manager Marcia Raines reviewed the agenda items.

**CITIZEN COMMUNICATION**

Millbrae Firefighter Joe Perry announced the Fire Department's Annual Toy Drive. New, unwrapped toys can be dropped off at the Fire Station until December 18, 2011.

**PUBLIC HEARING**

NONE

**OLD BUSINESS**

1. Redevelopment Agency Resolution Implementing Previously Approved 27-Unit Affordable Rental Housing Project at 1275 El Camino Real known as Dolores Lia Project

Armando Sanchez, Housing Project Manager, presented the report stating that Pacific West needs to close on the property by December 15, 2011 in order to secure the favorable financing rate available for the project through the allocation of tax exempt bonds. Additionally, the construction lender and investor are requiring the Agency to make the undisbursed funds totaling \$1,514,762 available immediately due to the tenuous situation of redevelopment in California.

Council had the following questions:

- What is a Controlled Account;
- What are the safeguards in the agreement;
- Which monies will be held out until the project is further along; not all of the funds should be disbursed immediately.

Staff responded:

- A Controlled Account is an Escrow Account that is set up for the project;
- There are safeguards in the Amended and Restated Owner Participation and Loan Agreement, specifically Article IX titled Defaults, Remedies and Termination;
- It has not been decided which monies would be held until the project was further along.

Council requested that:

- The funding for the project not be released unless certain parameters are met (property inspections and percentage of work completed);
- The funds be keep in either a Controlled Account or a 3<sup>rd</sup> Party Escrow Account;
- The \$814,762 (undisbursed funds from the original loan to Bridge Housing) be used before the \$700,000 in new funds is used.

Council stated that there would be no deal if the developer does not agree to the conditions that they have set forth.

Staff stated that Council can approve the deal with the conditions set forth this evening, and that they would bring this back to the developer.

No public comment of this item.

Upon a motion/second by Seto/Holober, Redevelopment Agency Resolution No. 11-11 implementing a previously approved 27-unit affordable rental housing project at 1275 El Camino Real known as Dolores Lia Project was unanimously adopted with the conditions that funds will sit in 3<sup>rd</sup> party escrow or controlled account, that the \$700,000 in new funds will be last piece used and the \$814,762 in undisbursed funds from the original loan to Bridge Housing will be disbursed after the a completion of certain milestones.

**NEW BUSINESS**

NONE

**RECESS CITY COUNCIL AND ADJOURN REDEVELOPMENT AGENCY**

There being no further regular business to discuss the City Council recessed and the Redevelopment Agency adjourned at 7:46 p.m.

**RECONVENE CITY COUNCIL**

2. **CLOSED SESSION**

Conference with Legal Counsel – Labor Negotiations  
 Closed Session held pursuant to Government Code §54957.6  
 Agency Negotiator: Marcia Raines  
 Employee Organizations: Millbrae Police Officers Association  
 Teamsters Local 856

Conference with Legal Counsel – Potential Litigation  
 Closed Session held pursuant to Government Code §54956.9(b) and (c)  
 One matter

**ADJOURN CITY COUNCIL**

There being no further business to discuss, the City Council adjourned at 10:00 p.m.

/s/ Angela Louis  
City Clerk

/s/ Daniel F. Quigg  
Mayor