

**Agenda Of The Meeting – Oversight Board for the Successor Agency to the
Redevelopment Agency of the City of National City
Council Chambers
Civic Center
1243 National City Boulevard
National City, California
Wednesday – October 17, 2012 – 3:00 P.M.**

Open To The Public

Please complete a request to speak form prior to the commencement of the meeting and submit it to the Oversight Board Secretary.

It is the intention of your National City Oversight Board to be receptive to your concerns in this community. Your participation in local government will assure a responsible and efficient City of National City. We invite you to bring to the attention of the Board Chairman any matter that you desire the National City Oversight Board to consider. We thank you for your presence and wish you to know that we appreciate your involvement.

ROLL CALL

Pledge of Allegiance to the Flag by Chairman Ron Morrison

Public Oral Communications (Three-Minute Time Limit)

NOTE: Pursuant to state law, items requiring National City Oversight Board action must be brought back on a subsequent National City Oversight Board Agenda unless they are of a demonstrated emergency or urgent nature.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**It Is Requested That All Cell Phones
And Pagers Be Turned Off During The Meetings**

OVERSIGHT BOARD ACTIONS

1. Approval of the Minutes of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of National City meeting on August 15, 2012.

PUBLIC HEARING

2. Public comment session Pursuant to Health and Safety Code Section 34179.6(b) regarding the results of the Low and Moderate Income Housing Fund Review conducted Pursuant to Health and Safety Code Section 34179.5.

REPORTS

3. Report on State Department of Finance's response to ROPS III and meet and confer requests

ADJOURNMENT

Adjourn to the next regular adjourned meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency scheduled on October 24, 2012 at 3:00 p.m. in Council Chambers, Civic Center.

**MINUTES OF THE MEETING OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF NATIONAL CITY**

August 15, 2012

This Meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of National City was called to order at 3:03 pm by Chairman Ron Morrison.

ROLL CALL

Board Members Present: Aguirre, Carson, Hentschke, Morrison, Perri.
Members Absent: Desrochers, Donaldson.

PLEDGE OF ALLEGIANCE by Chairman Ron Morrison

PRESENTATIONS: None

OVERSIGHT BOARD ACTIONS

1. **SUBJECT:** Approval of the Minutes of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of National City Tour on July 18, 2012.
ACTION: Motion by Hentschke, seconded by Perri to approve the minutes of the Oversight Board Meeting on July 18, 2012. Motion carried by the following vote, to wit: Ayes: Aguirre, Carson, Morrison, Perri and Hentschke. Absent: Desrochers, Donaldson.
2. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the Redevelopment Agency approving an Agreement with the City of National City to provide Project Management for and to construct the Coolidge Avenue Community Corridor Capital Improvement Project, in the amount not to exceed \$1,100,000. (Funded 2011 Tax Allocation Bond (CIP) fund). (Engineering)
RECOMMENDATION: Adopt the Resolution (Reso #2012-12)
ACTION: Motion by Carson, seconded by Perri to adopt the Resolution. Motion carried by the following vote, to wit: Ayes: Aguirre, Carson, Morrison, Perri and Hentschke. Absent: Desrochers, Donaldson.
3. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the Redevelopment Agency waiving the formal bid process and authorizing a California Multiple Award Schedule (CMAS) purchase for demolition of existing buildings, delivery, installation and utility hook-up for 4 new pre-fabricated restrooms; 2 for Kimball

Park and 2 for Las Palmas Park to Oregon Romtec, Inc. in the not to exceed amount of \$665,036.40 plus up to 4% (up to \$26,601.46) for required bonding costs. (Funded 2011 Tax Allocation Bond (CIP) fund). (Engineering)

RECOMMENDATION: Adopt the Resolution (Reso #2012-13)

ACTION: Motion by Perri, seconded by Aguirre to adopt the Resolution. Motion carried by the following vote, to wit: Ayes: Aguirre, Carson, Morrison, Perri and Hentschke. Absent: Desrochers, Donaldson.

4. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the Redevelopment Agency authorizing the Chairman to execute a Letter of Intent to the YMCA of San Diego County South Bay Branch of \$4.5 Million to commit bond funds for public improvements at Las Palmas Park. (Community Services)

RECOMMENDATION: Adopt the Resolution (Reso #2012-14)

ACTION: Motion by Hentschke, seconded by Carson to adopt the Resolution. Motion carried by the following vote, to wit: Ayes: Aguirre, Carson, Morrison, Perri and Hentschke. Absent: Desrochers, Donaldson.

5. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the Redevelopment Agency adopting the August 14, 2012 Recognized Obligations Payment Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013. (Community Services)

RECOMMENDATION: Adopt the Resolution (Reso #2012-15)

ACTION: Motion by Carson, seconded by Perri to adopt the Resolution. Motion carried by the following vote, to wit: Ayes: Aguirre, Carson, Morrison, Perri and Hentschke. Absent: Desrochers, Donaldson.

6. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the Redevelopment Agency approving and authorizing the retention of a licensed accountant to perform services related to preparation of the due diligence review and related actions pursuant to California Health and Safety Code Section 34179.5. (Administrative Services)

RECOMMENDATION: Adopt the Resolution (Reso #2012-16)

ACTION: Motion by Carson, seconded by Perri to adopt the Resolution. Motion carried by the following vote, to wit: Ayes: Aguirre, Carson, Morrison, Perri and Hentschke. Absent: Desrochers, Donaldson.

ADJOURNMENT

Adjourn to the next meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held on September 19, 2012 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:35 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of August 15, 2012.

Oversight Board Chairman

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: October 17, 2012

AGENDA ITEM NO. 2

ITEM TITLE:

Public comment session Pursuant to Health and Safety Code Section 34179.6(b) regarding the results of the Low and Moderate Income Housing Fund Review conducted Pursuant to Health and Safety Code Section 34179.5.

PREPARED BY: Brad Raulston
336-4256

DEPARTMENT:

PHONE:

APPROVED BY: _____

EXPLANATION:

Please see attached staff report.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO.

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Notice of Public Comment

NOTICE OF PUBLIC COMMENT SESSION

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

PLEASE TAKE NOTICE that pursuant to Health and Safety Code Section 34179.6(b), the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency will hold a public comment session on **Wednesday, October 17, 2012, at 3:00 pm, in the City Hall Council Chambers at the City of National City, 1243 National City Blvd, National City, CA 91950** on the due diligence review results of the Successor Agency Low and Moderate Income Housing Fund. Specifically, any interested members of the public may comment on the amount of cash and cash equivalents and other assets in the Low and Moderate Income Housing Fund determined by the due diligence review to be available for allocation to taxing entities, prior to the Oversight Board's review, approval and transmittal to the Department of Finance and County Auditor-Controller the results of the review of the Successor Agency Low and Moderate Income Housing Fund no less than five business days after this Public Comment Session.

As required by Health and Safety Code Section 34179.5 the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency retained a licensed accountant to conduct a due diligence review of the Successor Agency's Low and Moderate Income Housing Fund. The purpose of this due diligence review was to account for the Low and Moderate Income Housing Fund, including cash, cash equivalents, physical assets, and land and determine what portion of the fund or funds is legally committed to low and moderate income housing and what portion is unrestricted and available for allocation to other taxing entities. The licensed accountant's due diligence review of the Low and Moderate Income Housing Fund is complete and the purpose of this public comment session is to allow any interested persons to comment on or question the determinations in the due diligence review prior to the Oversight Board's review and approval of the due diligence review and the net balances available for allocation to other taxing entities.

A copy of the due diligence review of the Low and Moderate Income Housing Fund may be obtained located on the City of National City's website at www.nationalcityca.gov or by calling 619-336-4250.

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: October 17, 2012

AGENDA ITEM NO. 3

ITEM TITLE:

Staff Report on State Department of Finance's response to ROPS III and Meet and Confer requests.

PREPARED BY: Brad Raulston, Executive Director

DEPARTMENT: Community Services

PHONE: 336-4256

APPROVED BY: 

EXPLANATION:

A letter dated October 7, 2012 was received via email from the Department of Finance and opened on October 8, 2012 noting several items which the DOF are disallowing as enforceable obligations and/or classifying as administrative expenses. The Successor Agency disputes the findings and chooses to exercise its right to request a Meet and Confer meeting, per HSC Section 34177(m), which states requests must be made within five business days of the date of the Department of Finance's determination letter.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO. Pursuant to AB 1X 26.

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

BOARD / COMMISSION RECOMMENDATION:

Not Applicable.

ATTACHMENTS:

1. Letter from Department of Finance dated October 7, 2012
2. Meet and Confer Request Form



EDMUND G. BROWN JR. - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 7, 2012

Brad Raulston, Executive Director
National City
1243 National City Blvd.
National City, CA 91950

Dear Mr. Raulston:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Successor Agency for the Community Development Commission as the National City RDA (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 16, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligation(s):

- Item No. 86 – Loan from Sewer Fund in the amount of \$760,000. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable. This shall remain the case until and unless a finding of completion is issued by the Department of Finance and the oversight board makes a finding that the loan was for legitimate redevelopment purposes pursuant to HSC section 34191.4 (b). Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding on this ROPS.
- Items No. 10, 11, 43, 57, 94, and 95 in the amount of \$12.7 million. HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for these line items have not yet been awarded. Finance notes bond proceeds as the requested funding source for item numbers 43, 57, 94, and 95. Upon receiving a Finding of Completion from Finance, these items may become enforceable pursuant to HSC section 34191.4 (c). Until then, they are not enforceable obligations and not authorized for payment.
- Item No. 91 – July through December 2012 funding shortfall in the amount of \$4 million does not meet the definition of an enforceable obligation. While Finance may have approved RPTTF funding that exceeded the amount available, the ability to fund items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF. HSC section 34173 (h) allows for a city to loan funds to a successor for administrative costs and enforceable obligations, and put the

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$4,574,242 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 14,221,104
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 86	420,000
Item No. 91	3,995,503
Item No. 93	4,272,833
Item No. 99	1,000,000
Item No. 88	30,000
Item No. 89	30,000
Item No. 90	18,000
Item No. 101	30,000
Item No. 126	20,000
Item No. 127	25,000
Item No. 133	414
Item No. 134	3,600
Item No. 135	1,200
Item No. 136	126
Item No. 138	51,000
Item No. 139	3,200
Item No. 144	12,500
Total approved RPTTF for enforceable obligations	<u>\$ 4,307,728</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>266,514</u>
Total RPTTF approved:	\$ 4,574,242
Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 4,576,072
Total RPTTF for the period January through June 2013	4,307,728
Total RPTTF for fiscal year 2012-13:	\$ 8,883,800
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	266,514
Administrative allowance for the period of July through December 2012	-
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 266,514

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS. The amount available from the RPTTF is the same as the property tax increment that was available

**MEET AND CONFER REQUEST FORM**

Instructions: Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment_Administration@dof.ca.gov

The subject line should state “[Agency Name] Request to Meet and Confer”. Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter, and no later than **November 16, 2012** for the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance’s website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance’s Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

AGENCY (SELECT ONE):

Successor Agency Housing Entity

AGENCY NAME:**TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):**

Housing Assets Transfers Due Diligence Reviews ROPS Period _____

DATE OF FINANCE’S DETERMINATION LETTER:**REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):**

Meeting at Finance Conference Call

Agency Contact Information

Name: _____ Name: _____
Title: _____ Title: _____
Phone: _____ Phone: _____
Email: _____ Email: _____
Date: _____ Date: _____

Department of Finance Local Government Unit Use Only

REQUEST TO MEET AND CONFER DATE: APPROVED DENIED

REQUEST APPROVED/DENIED BY: _____ DATE: _____

MEET AND CONFER DATE/TIME/LOCATION: _____

MEET AND CONFER SESSION CONFIRMED: YES DATE CONFIRMED: _____

DENIAL NOTICE PROVIDED: YES DATE AGENCY NOTIFIED: _____