

**MINUTES OF THE OVERSIGHT BOARD
FONTANA REDEVELOPMENT SUCCESSOR AGENCY
FRIDAY, APRIL 6, 2012**

CALL TO ORDER/ROLL CALL:

The Meeting of the Oversight Board, Fontana Redevelopment Successor Agency, was called to order at 9:08 a.m. and was held on Friday, April 6, 2012, in the Fontana City Hall, Executive Conference Room, 8353 Sierra Avenue, Fontana, California.

PUBLIC COMMUNICATIONS:

There were no public communications received.

A. INTRODUCTION OF OVERSIGHT BOARD MEMBERS AND STAFF

Deputy City Manager David Edgar, as staff liaison to the Oversight Board (OSB), opened the meeting and self-introductions by the Oversight Board Members and staff were provided as follows:

Ciriaco "Cid" Pinedo, Chaffey Community College District, Chaffey College Appointment; Vice President of Administrative Services for External Affairs at Chaffey Community College and also sits on the Planning Commission for the City of La Verne;

Dena Fuentes, County of San Bernardino, Board of Supervisors Appointment; Director of Community Development and Housing; added that this will be her first and last meeting, as Ms. Lynne Fischer, Administrative Analyst III in the County Administrative Office, will be appointed as her replacement;

Alejandro Alvarez, Fontana Unified School District, County Superintendent of Education Appointment; Associate Superintendent for Business Services for the Fontana Unified School District;

Evelyne Ssenkoloto, City of Fontana Employee Appointment; Administrative Analyst in the City Clerk's Department, was employed nine years with Fontana Redevelopment Agency, and over 11 years employed with the City;

John B. Roberts, City of Fontana, Fire District Appointment; Vice President of the Fontana Fire Protection District (formerly Central Valley Fire Protection District); current Mayor Pro Tem for Fontana; employed 32 years with the County and also serves on the County's Oversight Board; and

Acquanetta Warren, City of Fontana, Mayor Appointment, and Mayor of the City of Fontana

Sandra Medina, Deputy City Clerk, City of Fontana
Lisa Strong, Management Services Director, City of Fontana
Delmar Williams, Jeff Ballinger, Peter Choi, City Attorney, Best Best & Krieger
Cecilia Lopez-Henderson, Administrative Project Coordinator, City Clerk's Dept.
Menandro Lindo, IT Department
Debbie Brazill, Deputy City Manager, Development Services
Ken Hunt, City Manager
Dawn Brooks, Accounting Manager

B. OATH OF OFFICE

Deputy City Clerk Sandra Medina administered the Oaths of Office to Mr. Pinedo, Ms. Fuentes, Mr. Alvarez, Ms. Ssenkoloto, Mr. Roberts, and Ms. Warren.

C. ELECTION OF CHAIR AND VICE-CHAIR

ACTION: OSB Member Roberts nominated Evelyne Ssenkoloto as Chair, seconded by OSB Member Fuentes. Motion passed unanimously by vote of 5-0.

ACTION: OSB Member Roberts nominated Acquanetta Warren as Vice-Chair, seconded by OSB Member Fuentes. Motion passed unanimously by vote of 5-0.

D. RECEIVED INFORMATION ON BROWN ACT

City Attorney Jeff Ballinger summarized the Brown Act and stated that the Oversight Board's proceedings are subject to the Brown Act. The agendas are prepared in advance of the meeting; no discussions can occur concerning items that are off the agenda; conversations concerning agenda items cannot form a consensus or cannot come to a decision prior to the meeting, as these discussions must take place during the course of the meeting; and closed session items on real property negotiations or personnel issues are allowed.

E. APPROVE MEETING SCHEDULE

Deputy City Manager Edgar stated that the next meeting of the Oversight Board will be on Friday, April 20, 2012, 9:00 a.m., in the Fontana City Hall, Executive Conference Room concerning the second ROPs document review. Future meetings will be scheduled around two events: financially related to ROPs and any interaction with the Department of Finance (DOF) and property disposition. The property dispositions will not be right away because the County has been given direction by the DOF to undertake a review, which will be completed by the middle of July. In addition, there is some legislation introduced by Steinberg that may require Oversight Boards, Successor Agencies or cities to develop a strategic plan for the disposition of property. In any case, a plan is being compiled to show what properties are on file and to discuss the disposition of those properties. At the June 15 meeting, the Oversight Board will be meeting to discuss three properties: a lease extension with the Hilton Garden Inn Hotel

in South Fontana, a lease agreement with Alfredo's Restaurant in San Bernardino, and easement issues in conjunction with a college that is being developed on Sierra Avenue.

Mr. Edgar stated that future meetings will be as needed, which could be other days of the week and encouraged the Oversight Board Members to provide suggestions as to dates and times, other than Fridays, that are more convenient.

F. ROLES AND RESPONSIBILITIES OF THE OVERSIGHT BOARD

A Power Point presentation concerning the roles and responsibilities of the Oversight Board was provided by Delmar Williams, Best Best & Krieger, a copy of which is on file in the City Clerk's Department. Legal Counsel Williams summarized that as of February 1, 2012, the Fontana Redevelopment Agency was dissolved and the Fontana Successor Agency took over "winding down" the affairs of the redevelopment agency. The Oversight Board (OSB) is established by appointments from local agencies and must report names of the Chairperson and OSB Members to the Department of Finance by May 1, 2012. OSB Members serve at the pleasure of the appointment authority, and the OSB is dissolved when all RDA debts have been paid. Technically, Best Best & Krieger does not represent the Oversight Board but serves as legal counsel to the Successor Agency.

The basic duties of the OSB include disposing of RDA assets, winding up RDA affairs, oversee development of RDA properties, and other duties. The OSB's responsibilities are fiduciary and the OSB Members have personal immunity from suit for their actions taken while OSB Members. Four members of the OSB form a quorum to act and four OSB Members are needed to approve an action. The decisions of the OSB are subject to review by the Department of Finance (DOF); therefore, there is a three-day waiting period on all actions to become effective.

OSB Member Fuentes inquired about the three day response for actions adopted by the OSB. Legal Counsel Williams stated that the three days is from the time the DOF receives the action. The DOF has three days to determine whether they have objections and then 10 more days to state the problem.

Legal Counsel Williams concluded that the OSB meetings are subject to the Brown Act, California Public Records Act and the Political Reform Act and added that the OSB Members must file a Form 700.

G. RESOLUTION DESIGNATING CONTACT PERSON FOR DEPARTMENT OF FINANCE INQUIRIES

ACTION: Motion was made by OSB Member Roberts, seconded by OSB Member Pinedo and passed unanimously by vote of 6-0 to adopt Resolution No. FOB 2012-01 of the Oversight Board approving the designation of Lisa Strong, Management Services Director, as the contact person for the Department of Finance inquiries.

H. RESOLUTION DIRECTING THE TRANSFER OF REDEVELOPMENT AGENCY HOUSING ASSETS AND FUNCTIONS TO THE FONTANA HOUSING AUTHORITY

Management Services Director Lisa Strong presented the staff report, of which a complete copy is on file in the City Clerk's Department. Ms. Strong stated that this is a housekeeping item in that the Fontana Housing Authority was selected as the successor agency to the low to mod income housing fund, and so basically everything was transferred to the Fontana Housing Authority as of July 1. However, there is language in the dissolution act that requires the OSB to take an action to transfer those assets and obligations.

OSB Member Fuentes stated that one of the exhibits contains a lot of financial detail and had several questions concerning what is considered enforceable obligations. Ms. Strong inquired that once the obligations are transferred to the Housing Authority, as the successor agency, does that take it out of the purview of the OSB? Legal Counsel Williams responded that it does remove it from the purview of the OSB.

ACTION: Motion was made by Vice-Chair Warren, seconded by OSB Member Roberts and passed unanimously by vote of 6-0 to adopt Resolution No. FOB 2012-02 of the Oversight Board directing the transfer of Redevelopment Agency housing assets and functions to the Fontana Housing Authority.

I. RESOLUTION APPROVING INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FROM JANUARY 1, 2012 THROUGH JUNE 30, 2012.

Management Services Director Lisa Strong presented the staff report, of which a complete copy is on file in the City Clerk's Department. OSB Member Fuentes requested clarification on Item 4 and Item 5 on the ROPs list, which is financial obligation for other need housing and was executed post June 28. OSB Member Fuentes stated that redevelopment agencies could not enter into agreements post June 28, so what were the authorities for entering into any agreements? Deputy City Manager Edgar interjected and stated that this is a prior agreement for senior housing with Elderly Housing Development & Operations Corporation (EHDOC), and was a follow up to the original agreement that was put in place with the EHDOC to construct two additional housing projects and that is why this item is before you. OSB Member Fuentes questioned whether the City had a Disposition and Development Agreement (DDA) or real estate agreement that had multiple phases. Deputy City Manager Edgar responded in the affirmative. OSB Member Fuentes questioned whether the item was formally presented to the Agency Board. Mr. Edgar responded in the affirmative. OSB Member Fuentes inquired how an item went forward to the Agency Board when the Supreme Court directed all Agency Board transactions be held in abeyance. Mr. Edgar stated that it was considered an amendment to a prior agreement. The underlying agreement was approved prior to the moratorium being put into place.

Legal Counsel Williams added there was a responsibility to proceed under enforceable obligations and not permit things to go into default.

OSB Member Fuentes questioned Items 11 and 12 on the ROPs list regarding the old timer foundation, and whether the funds had been expended or is the program still being implemented. Deputy City Manager Edgar responded that the program is still being implemented until June 30, and at that time, the program will terminate. OSB Member Fuentes questioned whether this also applied to Item 15, first time home buyers' assistance program. Mr. Edgar responded in the affirmative. Mr. Edgar added that for the old timer foundation, first time home buyers, and emergency grant program, everyone who had been involved has been put on notice that as of June 30, the programs will terminate.

OSB Member Fuentes stated that she assumes that Best Best & Krieger is fine with continuing to execute agreements post February 1 for down payment and rehabilitation. Legal Counsel Ballinger responded that these would be Housing Authority related and he is comfortable with it. OSB Member Fuentes referred to the City's cost allocation plan, Items 15 through 21. OSB Member Fuentes questioned the difference between employee costs and staffing costs. Ms. Strong stated that the City handles the cost internally to be able to trace it back to the books, and again this is for the City's ease. Ms. Strong added that the City prepares a cost allocation plan that is run every year for all funds and allocated administrative costs. OSB Member Fuentes questioned whether the cost allocation plan ties in with the administrative cap. Ms. Strong responded that the low-mod amount is not calculated into the administrative costs on the ROPs, so it is not part of the calculation for ROPs. OSB Member Fuentes stated that there is no reliance on the Housing Authority for trust fund expenses if everything has been shifted. Ms. Strong stated that the City is not asking for any payments for these obligations and that several loans for ERAF payments were made and those repayments are shown on the ROPs.

Vice-Chair Warren clarified that the programs that end on June 30 are old timers, low income senior, emergency repairs, and first time home buyers. Deputy City Manager Edgar responded correct.

ACTION: Motion was made by OSB Member Roberts, seconded by Vice-Chair Warren and passed unanimously by vote of 6-0 to adopt Resolution No. FOB 2012-03 of the Oversight Board approving initial Recognized Obligation Payment Schedule (ROPS) from January 1, 2012 through June 30, 2012.

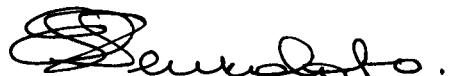
J. STAFF/BOARD MEMBER COMMUNICATIONS

Vice-Chair Warren asked about the DOF meetings. OSB Member Fuentes stated that the DOF does not take calls or emails. City Manager Ken Hunt stated that there is a lack of consistency with the DOF and everyone is treated differently. Mr. Hunt added that we will be meeting with the Auditor-Controller, and the Auditor-Controller will conduct the audits, so there is a lot to be done by June 30.

In closing, Chairperson Ssenkoloto thanked everyone for attending and gave a special thanks for being selected to serve as Chairperson.

ADJOURNMENT:

The Fontana Oversight Board Meeting adjourned by consensus at 10:31 a.m.



Evelyne Ssenkoloto, Chairperson
Oversight Board of the Successor Agency
to the Fontana Redevelopment Agency



Sandra Medina, Deputy City Clerk
Oversight Board of the Successor Agency
to the Fontana Redevelopment Agency