

OVERSIGHT BOARD FOR SUCCESSOR AGENCY  
TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY

AGENDA

City Council Chambers  
Montclair Civic Center  
5111 Benito Street  
Montclair, CA

Special Meeting  
Wednesday, July 25, 2012  
6:00 p.m.

*As a courtesy, please silence your cell phones, pagers, and other electronic devices while the meeting is in session. Thank you.*

William Ruh - Chairman, Montclair Mayor Paul Eaton Appointee  
Tenice Johnson - Vice Chairperson, County of San Bernardino Citizen Appointee  
Terry Catlin - Inland Empire Utilities Agency Appointee  
Kim Erickson - Chaffey Community College District Appointee  
Janet Kulbeck - City of Montclair Employee Organization Appointee  
John Richardson - County of San Bernardino Appointee  
Kim Stallings - Ontario-Montclair School District Appointee

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I. PRELIMINARY MATTERS

- A. Call to Order
- B. Roll Call

II. PUBLIC COMMENT

*Any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda, is requested to complete a "Speaker Request" card, available at the door. The card should be completed and submitted to the Secretary prior to the beginning of this meeting or prior to an individual agenda item being heard by the Oversight Board. Each speaker will be afforded five minutes to address the Oversight Board. No action will be taken on any item not listed on the agenda pursuant to the Ralph M. Brown Act.*

III. BUSINESS ITEMS

- A. Consider Presentation by Successor Agency Special Counsel  
Regarding AB 1484 3
- B. Consider Receipt of Correspondence Dated July 12, 2012, From  
California Department of Finance 4

- C. Consider Adoption of Resolution No. 12-11, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving the Assets of the Montclair Housing Authority

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IV COMMUNICATIONS

- A. Staff
- B. Chairman and Members

V. ADJOURNMENT

*The above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have ten days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration; and the action, if subject to review by DOF, will not be effective until approved by DOF.*

*The next regularly scheduled Oversight Board meeting will be held on August 8, 2012, at 6:00 p.m. in the City Council Chambers.*

*Reports, backup materials, and additional materials related to any item on this Agenda distributed to the Successor Agency Board after distribution of the Agenda packet are available for public inspection in the Office of the Secretary located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary at (909) 625-9416. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)*

*I, Yvonne L. Smith, Secretary, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 24 hours prior to this meeting on the bulletin board adjacent to the south door of Montclair City Hall on July 19, 2012.*

## AGENDA REPORT

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**SUBJECT:** CONSIDER PRESENTATION BY SUCCESSOR AGENCY SPECIAL COUNSEL REGARDING AB 1484

**DATE:** July 25, 2012

**SECTION:** BUSINESS ITEMS

**ITEM NO.:** A

**FILE I.D.:** OBO050

**DEPT.:** OVERSIGHT BOARD

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**REASON FOR CONSIDERATION:** On June 27, 2012, the Governor signed AB 1484 modifying certain provisions of AB 1X 26. Successor Agency Counsel will provide the Oversight Board with an overview of the legislation.

**BACKGROUND:** AB 1484 generally involves the following requirements:

- Payment by the Successor Agency of any excess reserve demands by July 12, 2012 (known as the "true-up" demand).
- Submittal of a list of housing assets to the Department of Finance (DOF) by August 1, 2012, after the Oversight Board's approval.
- Submittal of the Recognized Payment Obligation Schedule (ROPS) for January through June 2013 to DOF by September 1, 2012, after the Oversight Board's approval.
- Requirement for an audit of the unobligated balance in the Low- and Moderate-Income Housing Fund (LMIHF) for submittal to DOF by October 15, 2012. The audit must be approved by the Oversight Board prior to submittal to DOF.
- Possible "Finding of Completion" by DOF for Successor Agency allowing use of bond funds issued before December 31, 2010.

A copy of AB 1484 has been included in the agenda packet for reference along with a copy of a PowerPoint presentation on the legislation conducted by the League of California Cities.

**FISCAL IMPACT:** There is no fiscal impact associated with the Oversight Board's consideration of the presentation.

**RECOMMENDATION:** The presentation requires no action on the part of the Oversight Board.

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Prepared by: M. STAATS Reviewed and Approved by: M. STAATS

Proofed by: James Lomax Presented by: \_\_\_\_\_

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## AGENDA REPORT

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**SUBJECT:** CONSIDER RECEIPT OF CORRESPONDENCE  
DATED JULY 12, 2012, FROM CALIFORNIA  
DEPARTMENT OF FINANCE

**DATE:** July 25, 2012  
**SECTION:** BUSINESS ITEMS  
**ITEM NO.:** B  
**FILE I.D.:** OBO050  
**DEPT.:** OVERSIGHT BOARD

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**REASON FOR CONSIDERATION:** The Oversight Board is requested to receive a copy of the correspondence dated July 12, 2012, from the State Department of Finance (DOF).

A copy of the correspondence from DOF is attached for the Oversight Board's review.

**BACKGROUND:** In the July 12, 2012 letter issued by DOF, DOF indicates that all Recognized Obligation Payment Schedules (ROPS) covering the periods from January 1, 2012, through June 30, 2012, and July 1, 2012, through December 31, 2012, are final. DOF will no longer accept additional information or documentation related to disputed ROPS items.

As the Oversight Board is aware, the Successor Agency to the City of Montclair Redevelopment Agency had disputed items on both ROPS. Largely, the disputed items involved DOF's determination that all project-related costs for legal fees, staff, and bond costs were administrative items rather than project costs.

**FISCAL IMPACT:** There is no fiscal impact related to the Oversight Board's review of the DOF correspondence.

**RECOMMENDATION:** Staff recommends the Oversight Board receive the correspondence dated July 12, 2012, from the California Department of Finance.

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Prepared by: M. STAATS Reviewed and Approved by: M. STAATS  
Proofed by: James Smith Presented by: \_\_\_\_\_

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July 12, 2012

TO REDEVELOPMENT SUCCESSOR AGENCY REPRESENTATIVES

Subject: Request to Revise Recognized Obligations Payment Schedules and Requests for Reconsideration

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the California Department of Finance (Finance) has completed its review of Recognized Obligation Payment Schedules (ROPS) for the periods January through June 2012 and July through December 2012 and issued approval letters accordingly.

All distributions from the Redevelopment Property Tax Trust Fund (RPTTF) were required by law to be made on June 1, 2012 covering obligations for July 2012 through December 2012, as well as adjusting for property tax funding needs for the January through June 2012 period.

Pursuant to section 34183.5 (b)(2)(A), the county auditor-controller had to determine the amount, if any, that is owed by each successor agency to taxing entities based on ROPS approved by the Department. Therefore, the RPTTF amounts approved by Finance (as shown in Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bill\\_26-27/view/php](http://www.dof.ca.gov/assembly_bill_26-27/view/php)) will remain final. Although we have continued to work diligently with each successor agency to review additional information and/or documentation related to disputed ROPS items, we are no longer accepting revised ROPS or requests to reconsider denied items nor making any revisions to existing requests. Any and all revised ROPS submitted to Finance for previous ROPS periods are hereby rejected. Requests to reconsider denied or disputed ROPS items will be addressed in our January through June 2013 ROPS review.

Please send any inquiries by email to: [Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov).

Sincerely,

KRISTIN SHELTON  
Program Budget Manager

cc: County Auditor-Controllers

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER ADOPTION OF RESOLUTION NO. 12-11, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING AND DIRECTING THE TRANSFER OF HOUSING ASSETS TO THE MONTCLAIR HOUSING AUTHORITY	<b>DATE:</b> July 25, 2012 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> C <b>FILE I.D.:</b> OBO050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** AB 1484 requires the Oversight Board to consider transfer of the housing assets of a former redevelopment agency to a housing successor agency. The list of housing assets must be forwarded to the California Department of Finance (DOF) by August 1, 2012. In addition, Augusta Communities, LLC, a nonprofit organization owning three mobile home parks in Montclair, is attempting to refinance its revenue bonds previously issued by the Redevelopment Agency to take advantage of reduced interest rates. Augusta Communities, LLC's refinancing cannot be completed until Oversight Board action on the housing asset transfer has been concluded.

Proposed Resolution No. 12-11 would approve and direct the transfer of housing assets by the Oversight Board. The list of the housing assets is attached to the proposed Resolution, which is attached for the Oversight Board's review and consideration.

**BACKGROUND:** As indicated, implementation of AB 1484 requires the Oversight Board to consider transfer of the housing assets of a former redevelopment agency to a housing successor. The Montclair City Council named the Montclair Housing Authority as the housing successor to the City of Montclair Redevelopment Agency on January 12, 2012. The Montclair Housing Authority was established by the City Council on July 18, 2011.

Section 34176 of the Health and Safety Code, added by AB 1484, states that by August 1, 2012, the housing successor is required to submit a list of all housing assets to the DOF in a form prescribed by DOF. The list must include an explanation of why each asset qualifies as a housing asset and include a list of assets that transferred between February 1, 2012, and the date the list is made. The DOF has 30 days to object to any asset placed on the housing asset list. The housing successor may request a meet and confer with DOF within five business days of receiving any objection from DOF. Any asset determined not to be a housing asset is returned to the Successor Agency and subject to the redistribution provision of Section 34178.8 of the Health and Safety Code.

Housing assets are defined in Section 34176(e) of the Health and Safety Code. In general, housing assets include the following:

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>[Signature]</u>	Presented by: _____

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1. Any real property; interest in, or restriction on, the use of real property, whether improved or not; and any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low- and moderate-income housing purposes, in whole or in part, with any source of funds.
2. Any funds that are encumbered by an enforceable obligation to build or acquire low- and moderate-income housing.
3. Any loan or grant receivable, funded with the Low- and Moderate-Income Housing Fund, from homebuyers, homeowners, nonprofit or for-profit developers, and other parties that require occupancy by persons of low or moderate income.
4. Any funds derived from rents or operation of properties acquired for low- and moderate-income housing purposes by other parties that were financed with any source of funds including residual receipts payments from developers, conditional grant repayments, cost savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.
5. A stream of rents or other payments from housing tenants or operators of low- and moderate-income housing financed with any source of funds that are used to maintain, operate, and enforce the affordability of housing or for enforceable obligations associated with low- and moderate-income housing.

The provisions of AB 1484 also require the housing successor to establish a new type of fund called the Low- and Moderate-Income Housing Asset Fund in its accounting records.

**FISCAL IMPACT:** Presumably, without Oversight Board approval of transfer to the housing successor, housing assets would be retained by the Successor Agency and subject to sale and/or redistribution.

**RECOMMENDATION:** Staff recommends the Oversight Board adopt Resolution No. 12-11 approving and directing the transfer of housing assets to the Montclair Housing Authority.

**RESOLUTION NO. 12-11**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING AND DIRECTING THE TRANSFER OF HOUSING ASSETS TO THE HOUSING AUTHORITY**

**WHEREAS**, the Oversight Board for Successor Agency to the City of Montclair Redevelopment Agency ("Oversight Board," as applicable) has met and has duly considered a list of various housing properties and assets formerly held by the City of Montclair Redevelopment Agency ("Agency"); and

**WHEREAS**, the Oversight Board has reviewed the housing properties and other assets which were held by the Agency, as set forth as Exhibit "A" hereto ("Property List").

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Oversight Board to the Successor Agency of the City of Montclair Redevelopment Agency does hereby find and determine as follows:

**SECTION 1.** That the foregoing recitals are true and correct.

**SECTION 2.** That the Property List is approved. In so approving the Property List, the Oversight Board directs the transfer of housing assets to the MHA; such approval shall constitute the approval of the Oversight Board for purposes of Section 34181(c) of the Health and Safety Code.

**APPROVED AND ADOPTED** at a special meeting of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency this XX day of XX, 2012.

\_\_\_\_\_  
Chairman

**ATTEST:**

\_\_\_\_\_  
Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 12-11 was duly adopted by the Oversight Board at a regular meeting thereof held on the XX day of XX, 2012, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

\_\_\_\_\_  
Yvonne L. Smith  
Secretary

Exhibit A

List of Property for Transfer to Montclair Housing Authority  
Pursuant to Health and Safety Code Section 34176\*

Date of List: July 18, 2012

\*Form of list not available from DOF upon preparation of this document  
DOF form to be distributed at the July 25 Meeting

**Properties Containing Deed Restrictions Limiting Occupancy to Low- to Moderate-Income Persons**

<i>Address</i>	<i>Total Affordable Units</i>	<i>Expiration of Affordability Covenants</i>	<i>Property Owner</i>
4811 Canoga Street	14 units	June 2066	Montclair Housing Corp. (MHC)
4820 Canoga Street	14 units	June 2066	MHC
4791 Canoga Street	4 units	June 2066	MHC
10333 Pradera Avenue	4 units	June 2066	MHC
10380 Pradera Avenue	4 units	June 2066	MHC
10390 Pradera Avenue	4 units	June 2066	MHC
4275 Kingsley Street	4 units	June 2066	MHC
10313 Amherst Avenue	4 units	June 2066	MHC
10323 Amherst Avenue	4 units	June 2066	MHC
10330 Amherst Avenue	4 units	June 2066	MHC
10333 Amherst Avenue	4 units	June 2066	MHC
10380 Amherst Avenue	4 units	June 2066	MHC
10383 Amherst Avenue	4 units	June 2066	MHC
10390 Amherst Avenue	4 units	June 2066	MHC
10410 Amherst Avenue	4 units	June 2066	MHC
10079 Central Avenue	1 unit	June 2066	MHC
10087 Central Avenue	1 unit	June 2066	MHC
9815 Central Avenue	1 unit	June 2066	MHC
5290 Orchard Street	1 unit	June 2066	MHC

10215 Central Ave.	1 unit	June 2066	MHC
10235 Central Ave.	1 unit	June 2066	MHC
9741 Central Ave.	1 unit	June 2066	MHC
9751 Central Ave.	1 unit	June 2066	MHC
9761 Central Ave.	1 unit	June 2066	MHC
9644 Central Ave.	1 unit	June 2066	MHC
9945 Central Ave.	1 unit	June 2066	MHC
9963 Central Avenue	1 unit	June 2066	MHC
5225 Palo Verde Street	1 unit	June 2066	MHC
5444 Palo Verde Street	2 units	June 2066	MHC
10291 Greenwood Avenue	1 unit	June 2066	MHC
9448 Carrillo Avenue	1 unit	June 2066	MHC
9010 Fremont Avenue	1 unit	June 2066	MHC
10327 Fremont Avenue	1 unit	2039	Habitat for Humanity
10410 Pradera Avenue	74 units	2061	National Community Renaissance
10355 Mills Avenue	84 units	2064	National Community Renaissance
10319 Mills Avenue	49 units	2065	National Community Renaissance
10350 Kimberly Avenue	2 units	2063	Jose and Deborah Dominguez
Villa Montclair Mobile Homes	80 units	2029	Augusta Communities LLC
Monterey Manor Mobile Homes	84 units	2031	Augusta Communities LLC
Hacienda Mobile Home Park	133 units	2032	Augusta Communities LLC

#### Real Property Owned to Be Transferred to Montclair Housing Authority

<i>Address</i>	<i>Purchase Price/Date</i>	<i>Existing Optioner</i>	<i>Expiration of Option</i>
4113 Kingsley Street	\$336,636.44/02-25-09	National Community Renaissance	12-31-12

**Residual Receipts Loans Made to Low and Moderate Income Housing Developers  
(repayments made when adequate cash flow exists)**

<i>Developer</i>	<i>Project</i>	<i>Original Loan Amount</i>	<i>Balance Owed</i>
Augusta Properties, LLC	Villa Montclair	\$325,000.00	\$411,922.27 as of 6-30-12
Augusta Properties, LLC	Monterey Manor	\$750,000.00	\$852,014.93 as of 6-30-12
Augusta Properties, LLC	Hacienda	\$1,400,000.00	\$1,664,846.09 as of 6-30-12
National Community Renaissance	San Antonio Vista	\$1,443,765.00	\$2,234,866.55 as of 12-31-12
National Community Renaissance	San Marino-(Seniors)	\$1,528,280.00	\$1,720,092.60 as of 7-29-12
National Community Renaissance	Vista del Cielo	\$3,633,083.72	\$4,152,138.22 as of 12-31-11

**Homebuyer Assistance Loans Made with Low and Moderate Income Housing Funds**

<i>Owner</i>	<i>Original Balance</i>	<i>Balance Owed to the Low - to Moderate- Income Housing Fund</i>
E. Pelayo	\$17,025	\$564.00
j. Saldana	\$19,350	\$311.96
C. Salcedo	\$20,250	\$658.12
R. Casarez	\$20,000	\$666.28
J. Sianturi	\$15,000	\$875.00

J. Davis	\$20,475	\$917.90
K. Nguyen	\$25,000	\$1,875.37
M. Romero	\$25,000	\$2,083.70
R. Romero	\$25,000	\$2,432.70
G. Andazola	\$18,000	\$2,100.00

**Rehabilitation Loans Made with Low and Moderate Income Housing Funds**

<i>Owner</i>	<i>Loan Originator</i>	<i>Interest Rate</i>	<i>Outstanding Balance</i>
Montclair Housing Corp.	Montclair RDA	5 to 6%	\$5,358,771.61
Betty Wicker	Neighborhood Housing Partnership Services (NPHS)	1.50%	\$10,143.96
Barry Wilbur	NPHS		\$14,248.68
Sabino Ramirez	NPHS	1.0%	\$12,030.54
Jose Campos	NPHS	1.0%	\$12,149.91
Teresa Dominguez	NPHS	1.75%	\$17,334.42
Rogelio Alfaro	NPHS		\$29,320.00
Martha Reyes	NPHS	2.0%	\$3,314.29
Judith Vargas	NPHS		\$2,142.65
Nova Chambers	NPHS		\$27,244.00
Copeland	NPHS		\$5,000.00
Fernando Paredes	NPHS	2.0%	\$21,057.24

**Files and Deeds of Trust Documents Held as Housing Assets**

Files and Deed of Trust documents held in relationship to the transactions stated above.

**Other Encumbrances**

Promissory Note to Montclair Housing Corporation                      \$1,000,000 (in dispute with DOF)