

**SPECIAL MEETING OF THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
AVALON COMMUNITY IMPROVEMENT AGENCY  
WEDNESDAY, SEPTEMBER 17, 2014– 12:25 P.M.  
CITY COUNCIL CHAMBERS 410 AVALON CANYON ROAD, AVALON, CA 90704**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. 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). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the Oversight Board. Such records shall be available at City of Avalon City Hall located at 410 Avalon Canyon Rd.

**CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION / ROLL CALL**

**ANNOUNCEMENTS / WRITTEN COMMUNICATIONS**

**ORAL COMMUNICATION**

Members of the public may address the Oversight Board at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

**GENERAL BUSINESS**

1. Minutes from the April 1, 2014 Oversight Board Meeting

Although the live recording is the official record of Oversight Board meetings, minutes are prepared for the Board's approval. Present at the meeting: Robert Kennedy, Chris Blehm, Eric Huart and Gabrielle Morones.

Recommended Action

Adopt a resolution approving minutes from the April 1, 2014 Oversight Board Meeting.

2. ROPS 14-15B and Successor Agency Administrative Budget

Health and Safety Code Section 34177 requires the Successor Agency to prepare and submit a Recognized Obligation Payment Schedule (ROPS), prior to each six-month fiscal period, to the Oversight Board, County Auditor-Controller, State Controller's Office (SCO), and State Department of Finance (DOF) for review and approval.

Recommended Action

Adopt a resolution approving the Recognized Obligation Payment Schedule for the Six-Month Fiscal period beginning January 1, 2015 and ending June 30, 2015.

3. Consideration of a Resolution Approving a Change to the Housing Asset Transfer Form - It is necessary for the Oversight Board to approve a revision to the Authority's HAT in order to formally document the transfer of 309 Beacon Street's ownership from the dissolved Agency to the Authority.

Recommended Action

Adopt a resolution approving a change to the Housing Asset Transfer Form required by Health and Safety Code Section 34176(a)(2).

**ADJOURN**

**OVERSIGHT BOARD MEETING  
SEPTEMBER 17, 2014  
PAGE 2**

**NOTICE OF POSTING**

I, Denise Radde, declare that the Oversight Board Agenda for the September 17, 2014 special meeting was posted on Thursday, September 11, 2014, on the City of Avalon's website [www.cityofavalon.com](http://www.cityofavalon.com), and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.



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Denise A. Radde, Oversight Board Secretary/City Clerk

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON  
COMMUNITY IMPROVEMENT AGENCY**

**MEETING DATE:** September 17, 2014

**AGENDA ITEM:** \_\_\_\_\_

**ORIGINATING DEPARTMENT:** Successor Agency

**CITY MANAGER:** \_\_\_\_\_

**PREPARED BY:** Denise Radde

**SUBJECT:** Oversight Board Meeting Minutes

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**RECOMMENDED ACTION**

That the Oversight Board adopts the resolution approving minutes from the Oversight Board Meeting on April 1, 2014.

**REPORT SUMMARY:**

Although the live recording is the official record of the Oversight Board meetings, minutes are prepared for the Board's approval.

**FISCAL IMPACTS:** N/A

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** N/A

**FOLLOW UP ACTION:** N/A

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** This item was properly listed on the posted agenda.

**ATTACHMENTS:** Minutes and resolution for April 1, 2014.

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
AVALON COMMUNITY IMPROVEMENT AGENCY  
MINUTES OF APRIL 1, 2014**

**CALL TO ORDER:** 12:50 p.m.

**ROLL CALL:** Present - Oversight Board members Robert Kennedy, Eric Huart, Chris Blehm and Gabrielle Morones. Absent: James Novak, Julie Moore, and Mark Taylor. Also present- Director of Finance Betty Jo Garcia, City Clerk/Oversight Board Secretary Denise Radde, and Elizabeth Hull Oversight Board Counsel.

There were no announcements, written communications or oral communication from the audience.

**General Business**

1. It was noted by the Oversight Board Secretary that the actions will be amended to reflect that Oversight Board Counsel Elizabeth Hull was also present. Adopted Oversight Board Resolution 14-03 approving minutes from the Oversight Board meeting on February 25, 2014. Motion by Eric Huart, seconded by Gabrielle Morones. (4 Ayes-Kennedy, Huart, Blehm and Morones, 3 Absent- Moore, Novak and Taylor)
2. Adopted Oversight Board Resolution 14-04 approving a Long Range Property Management Plan and authorized its transmittal. Motion by Eric Huart, seconded by Gabrielle Morones. (4 Ayes-Kennedy, Huart, Blehm and Morones, 3 Absent- Moore, Novak and Taylor)

Chairman Robert Kennedy adjourned the meeting at 12:52 p.m.

I, Denise Radde, Oversight Board Secretary/City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency meeting of April 1, 2014, is the official record of that Oversight Board Meeting and is on file and maintained in City Hall.

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Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY TO THE DISSOLVED AVALON  
COMMUNITY IMPROVEMENT AGENCY, APPROVING  
MINUTES FROM THE OVERSIGHT BOARD MEETING  
ON APRIL 1, 2014

**WHEREAS**, pursuant to Health and Safety Code section 34173(d), the City of Avalon ("Successor Agency") is the successor agency to the dissolved Avalon Community Improvement Agency ("Agency"),

**WHEREAS**, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency's oversight board; and

**WHEREAS**, pursuant to Health and Safety Code section 34179(e), the Oversight Board is deemed to be a local entity for purposes of the Ralph M. Brown Act (Gov. Code, § 54950 et seq.); and

**WHEREAS**, Exhibit A, pursuant to Government Code section 54954(a), the Oversight Board desires to provide, by resolution, the minutes from the April 1, 2014 meeting.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

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

**Section 2. Actions.** Minutes from the April 1, 2014 meeting.

**Section 3. Certification.** The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

**Section 4. Effective Date.** Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

**PASSED AND ADOPTED** at a special meeting of the Oversight Board on the 17th day of September, 2014 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
Ann H. Marshall, Chairperson

ATTEST:

\_\_\_\_\_  
Denise A. Radde, Oversight Board Secretary/City Clerk

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO  
THE AVALON COMMUNITY IMPROVEMENT AGENCY**

**MEETING DATE:** September 17, 2014

**AGENDA ITEM:** 2

**ORIGINATING DEPARTMENT:** Successor Agency

**CITY MANAGER:** [Signature]

**PREPARED BY:** Tara Matthews, Consultant, RSG Inc.

**SUBJECT:** Recognized Obligation Payment Schedule for January through June 2015

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**RECOMMENDED ACTION**

That the Oversight Board adopt the resolution approving the Recognized Obligation Payment Schedule for the six-month fiscal period beginning January 1, 2015 and ending June 30, 2015.

**BACKGROUND AND ANALYSIS**

**ROPS 14-15B**

Health and Safety Code ("HSC") Section 34177 requires the Successor Agency to prepare and submit a Recognized Obligation Payment Schedule ("ROPS"), prior to each six-month fiscal period, to the Oversight Board, County Auditor-Controller, State Controller's Office ("SCO"), and State Department of Finance ("DOF") for review and approval. For the ROPS period of January 1, 2015 to June 30, 2015 ("ROPS 14-15B"), the statute requires that an Oversight Board-approved ROPS be submitted to the State by no later than October 3, 2014. If the ROPS is not submitted by that deadline, the City of Avalon (as the City and not as the Successor Agency) will be subject to a civil penalty of \$10,000 per day for each day it is late. These requirements for the ROPS took effect in 2012 as a result of AB 1484 (Chapter 26, Statutes of 2012). The Successor Agency approved the draft ROPS 14-15B on September 16, 2014.

*Obligations in the Current Period*

For the 14-15B period, the Successor Agency's recognized obligations to be funded from the Redevelopment Property Tax Trust Fund ("RPTTF") consist of the following:

- Bond payments,
- Payment for legal services,
- Payment for bond disclosure and bond arbitrage, and
- Administrative expenses.

The total amount of these obligations equals \$889,110 for the 14-15B period.

In addition, development and capital improvement projects will be funded from bond proceeds, including the following:

- Sewer repairs,
- Wastewater treatment plant repairs,
- Pebbly Beach Road construction,
- A low and moderate income housing project, and
- Capital improvements related to the housing project.

The total amount of these obligations equals \$4,156,983. The total of all obligations in this period equals \$5,046,093.

#### *Prior Period Adjustments*

The Successor Agency is required to itemize all prior period ROPS payments for enforceable obligations and administrative costs. The prior period included in ROPS 14-15B is the period from January through June 2014 (“13-14B”). The prior period payment “true-up” process compares estimated ROPS payments versus actual payments from January through June 2014. If the Successor Agency spent less than it estimated, fund balances should be used to pay for ROPS 14-15B obligations and, under AB 1484, the County Auditor-Controller will adjust down the distribution of RPTTF to the Successor Agency for this next ROPS period by the surplus amount. The surplus amount for 13-14B expenditures equals \$88,571. Therefore, the Successor Agency will receive \$800,539 to fund its 14-15B RPTTF obligations.

#### *DOF Review*

Upon submittal of an Oversight Board-approved ROPS, DOF has 45 days to make its determination of the enforceable obligations, including amounts and funding sources. Within five business days of DOF’s determination, the Successor Agency may request additional review and an opportunity to meet and confer on disputed items. DOF has until 15 days prior to the date for property tax distribution to make its final decision. The RPTTF distribution date for ROPS 14-15B is January 2, 2015.

#### **ENVIRONMENTAL REVIEW**

The action taken by the Successor Agency to approve ROPS 14-15B does not commit the Successor Agency to any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

#### **FISCAL IMPACT**

Approval of the ROPS 14-15B is necessary for the Successor Agency to continue administrative operations and make payments for debt service, contracts, and other enforceable obligations. By not adopting the ROPS 14-15B, the Successor Agency would risk defaulting on loans and other debt agreements, and not being able to fund certain expenses and operations, which would also impact the City’s General Fund. Failure to submit an Oversight Board-approved ROPS to DOF October 3, 2014 will also

result in a \$10,000 per day penalty assessed against the City for each day the ROPS is late.

Attachment: Oversight Board Resolution Approving the ROPS 14-15B

OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD BEGINNING JANUARY 1, 2015 AND ENDING JUNE 30, 2015**

**WHEREAS**, the City of Avalon ("City") has elected to serve as the Successor Agency to the Avalon Community Improvement Agency ("Successor Agency") pursuant to Assembly Bill x1 26 ("AB x1 26" or the "Dissolution Act") as codified in the California Health & Safety Code ("HSC"); and

**WHEREAS**, in accordance with HSC Section 34180, the Oversight Board of the Successor Agency ("Oversight Board") is authorized and required to review and approve actions taken by the Successor Agency, including the establishment of the Recognized Obligation Payment Schedule ("ROPS"); and

**WHEREAS**, pursuant to HSC Section 34177, the Successor Agency prepared and approved the ROPS for the six-month fiscal period beginning January 1, 2015 and ending June 30, 2015 ("14-15B") in a manner prescribed by the California Department of Finance ("DOF"), and submitted the ROPS 14-15B to the Oversight Board; and

**WHEREAS**, HSC Section 34177 requires the Successor Agency to submit a copy of the approved ROPS to the Los Angeles County Auditor-Controller, the State Controller's Office, and DOF for review and approval; and

**WHEREAS**, Exhibit "A" to this resolution establishes a ROPS for the six-month fiscal period beginning January 1, 2015 and ending June 30, 2015 ("14-15B"), in a manner consistent with that prescribed by DOF; and

**WHEREAS**, pursuant to Amendment No. 1 to the Agreement for Reimbursement of Tax Increment Funds entered into by and between the County of Los Angeles, the City, and the Avalon Community Improvement Agency on June 17, 2003, the City and Successor Agency are to be provided a "Permitted Administrative Expense" to fund administrative and operational costs related to the Successor Agency, the estimate of which for fiscal year 2014-15 is \$499,332.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

**Section 2. Approval of ROPS.** The Oversight Board of the Successor Agency to the Avalon Community Improvement Agency ("Oversight Board") hereby approves the Recognized Obligation Payment Schedule ("ROPS") for the six-month fiscal period beginning January 1, 2015 and ending June 30, 2015 ("14-15B"), in substantially the form attached hereto

as Exhibit "A," as required by ABX1 26, enacted during the 2011 legislative year, and AB 1484, enacted during the 2012 legislative year.

**Section 3. Transmittal to Appropriate Agencies.** The Oversight Board hereby directs staff to transmit, by mail or electronic means, a copy of the ROPS 14-15B to the Los Angeles County Auditor-Controller, State Department of Finance, and the State Controller's Office, as prescribed by statute, and to post the ROPS 14-15B on the Successor Agency's website.

**Section 4. Severability.** 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 Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 5. Certification.** The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency, on the 17th day of September, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Ann H. Marshall  
Oversight Board Chairperson

ATTEST:

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Denise A. Radde  
Oversight Board Secretary

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON  
COMMUNITY IMPROVEMENT AGENCY**

**MEETING DATE:** September 17, 2014

**AGENDA ITEM:** 3

**ORIGINATING DEPARTMENT:** Oversight Board Staff

**CITY MANAGER:** 

**PREPARED BY:** Denise Radde

**SUBJECT:** Consideration of a Resolution Approving a Change to the Housing Asset Transfer Form

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**RECOMMENDED ACTION:** That the Oversight Board adopt a resolution approving a change to the Housing Asset Transfer Form required by Health and Safety Code Section 34176(a)(2).

**BACKGROUND:** On July 31, 2012, the Housing Authority of the City of Avalon ("Authority") submitted a Housing Asset Transfer Form ("HAT") to the California Department of Finance ("DOF") listing all housing assets transferred from the dissolved Avalon Community Improvement Agency ("Agency") to the Authority between February 1, 2012 and the date of the HAT's submittal. The HAT was prepared to fulfill Health and Safety Code Section 34176(a)(2). DOF approved the HAT on August 30, 2012.

When the HAT was prepared, assessor's records showed that the City owned a property at 309 Beacon Street ("Property") and it was thought that the Agency's only interest in the Property was recorded affordability covenants. Therefore, the HAT only listed the Property's affordability covenants as being transferred to the Authority and not its ownership.

When the Successor Agency to the Avalon Community Improvement Agency ("Successor Agency") prepared its Low and Moderate Income Housing Fund Due Diligence Review ("Housing DDR") a few months later, it was discovered that the City had transferred ownership of the Property to the Agency in 1996. The Housing DDR noted that the Property's ownership was inadvertently excluded from the HAT, and included the value of the Property as a housing asset transferred to the Authority. DOF approved the Housing DDR on December 21, 2012.

The Oversight Board submitted a zero-property Long Range Property Management Plan ("LRPMP") to DOF on April 25, 2013. The resolution adopting the LRPMP noted that all property or interests in real property of the dissolved Agency were housing assets transferred pursuant to the HAT, therefore there are zero properties to dispose of in the LRPMP. DOF has informed Successor Agency staff that it cannot approve the LRPMP until the Oversight Board approves a revision to the HAT documenting the transfer of the Agency's ownership in 309 Beacon Street to the Authority.

**DISCUSSION**

Pursuant to Health and Safety Code section 34177(g), the Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176. Pursuant to Health and Safety Code section 34181(c), the Oversight Board is to direct the Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations to the appropriate entity pursuant to Health and Safety Code section 34176, which in this case is the Authority. It is necessary for the Oversight Board to approve a revision to the Authority's HAT in order to formally document the transfer of 309 Beacon Street's ownership from the dissolved Agency to the Authority.

**FISCAL IMPACT**

No funds are involved with the approval of a revised HAT.

**ATTACHMENT:** Resolution No. \_\_\_\_ approving a change to the Housing Asset Transfer Form required by Health and Safety Code Section 34176(a)(2).

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY, APPROVING A CHANGE TO THE HOUSING ASSET TRANSFER FORM REQUIRED BY HEALTH AND SAFETY CODE SECTION 34176(a)(2)**

**WHEREAS**, pursuant to Health and Safety Code section 34176, the City of Avalon ("City"), as the entity that authorized the creation of the dissolved Avalon Community Improvement Agency ("Agency"), elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund ("Housing Fund"), to the Housing Authority of the City of Avalon ("Authority"), as provided in Resolution No. 12-01 adopted on January 30, 2012; and

**WHEREAS**, pursuant to Health and Safety Code section 34177(g), the Successor Agency to the Avalon Community Improvement Agency ("Successor Agency") is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176; and

**WHEREAS**, pursuant to Health and Safety Code section 34181(c), the Oversight Board directed the Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176 by the adoption of Resolution No. 12-05 on May 4, 2012; and

**WHEREAS**, pursuant to Health and Safety Code section 34176(a)(2), the Authority submitted a Housing Asset Transfer Form ("HAT") to the California Department of Finance ("DOF") on July 31, 2012 listing all housing assets transferred from the Agency to the Authority between February 1, 2012 and the date of the HAT's submittal; and

**WHEREAS**, DOF approved the HAT on August 30, 2012; and

**WHEREAS**, it was subsequently discovered that the ownership of a property located at 309 Beacon Street ("Property") was inadvertently excluded from the HAT; and

**WHEREAS**, the Successor Agency submitted a Low and Moderate Income Housing Fund Due Diligence Review ("Housing DDR") to DOF on November 30, 2012 noting that the Property was inadvertently excluded from the HAT, and included the value of the Property as a housing asset transferred to the Authority; and

**WHEREAS**, DOF approved the Housing DDR on December 21, 2012; and

**WHEREAS**, the Oversight Board desires to approve a change to the HAT documenting that the ownership of the Property was transferred from the Agency to the Authority on February 1, 2012.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

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

**Section 2. Housing Asset Transfer Form Revision.** The Oversight Board hereby approves a revision to the HAT required by Health and Safety Code Section 34176(a)(2) documenting that the ownership of a property located at 309 Beacon Street was transferred from the dissolved Agency to the Authority. The revised HAT is attached hereto as Exhibit "A".

**Section 3. Severability.** 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 Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 4. Certification.** The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

**Section 5. Effective Date.** Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

**PASSED AND ADOPTED** at a regular meeting of the City Council on the 17<sup>th</sup> day of September by the following vote:

Ayes:  
Noes:  
Abstain:  
Absent:

\_\_\_\_\_  
Ann H. Marshall, Chairperson

ATTEST:

\_\_\_\_\_  
Denise Radde, Oversight Board Secretary/City Clerk