SPECIAL MEETING

Oversight Board Meeting
for the
City of San Bernardino as Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

AGENDA

Monday, August 6, 2012 – 11:00 a.m.
Economic Development Agency Board Room
201 North "E" Street, Suite 301, San Bernardino, CA 92401
(909) 663-1044

The Oversight Board recognizes its obligation to provide equal access to those individuals with disabilities. Please contact us at (909) 663-1044 prior to the meeting for any requests for reasonable accommodation that includes interpreters.

CHAIRMAN CALLS MEETING TO ORDER

1. Call to Order

   Jim Morris, City of San Bernardino, Mayor Appointee
   Doug Headrick, San Bernardino Valley Municipal Water District, Largest Special District Appointee
   Carey K. Jenkins, Representing Former RDA Employees, Mayor Appointee
   Mary O'Toole, County of San Bernardino Board of Supervisors Appointee
   Gloria Macias-Harrison, County of San Bernardino Member of the Public Appointee
   John Longville, Chancellor of the California Community Colleges Appointee
   Margaret Hill, County Superintendent of Education Appointee

2. Public Comments: A three-minute limitation shall apply to each member of the public who wishes to address the Oversight Board with a matter within the jurisdiction of the Oversight Board, whether or not on the agenda. . No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. (Usually, any items heard under this heading are referred to Staff for further study, research, completion and/or future Oversight Board action).

3. Approval of the Action Minutes of June 25, 2012 Oversight Board Meeting - Present: Chairman Morris; Board Members: Headrick, Hill, Macias-Harrison, Jenkins, O'Toole, and Longville

4. HOUSING

   a. 1470 Creekside Full Reconveyance – That the Oversight Board approve of this proposed action and authorize the Successor Agency representative to submit to the City Council of San Bernardino acting as the Housing Successor Agency of the former Redevelopment Agency of the City of San Bernardino for consideration.

b. Resolution of the Oversight Board for the City Of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino Pursuant to a Request to Terminate and Fully Reconvey a Restrictive Covenant

Motion: Adopt Resolution

5. TRANSFER OF CATV ASSETS TO CALIFORNIA STATE UNIVERSITY SAN BERNARDINO (No Back-up)

Item to be continued to the next Oversight Board meeting of August 27, 2012.

6. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS (NO BACK-UP) :
   - ROPS III
   - Audit of Successor Agency by Rogers, Anderson, Malody and Scott (RAMS)
   - Audit of Successor Agency by State Controller – July 9, 2012 (Attached)
   - Cash Flow Analysis – Will Be Prepared After Audit
   - Property Disposition Procedures – To be Finalized After Audit
   - Obligations:
     a. PERS Unfunded Liability - approximately $700,000 in latest PERS report but the final amount will be determined at the time of termination of the contract after all retirements and transfers; to be included on subsequent ROPS starting with ROPS III
     b. GASB 45 - retiree health care costs – included on the ROPS
     c. Update on State Budget and Trailer Bills
     d. Additional items requested by Board

7. ADJOURNMENT
   The next meeting is scheduled for Monday, August 27, 2012, at 11:00 a.m., in the Economic Development Agency Board Room.

ACTION MINUTES

Oversight Board Meeting
for the
City of San Bernardino as Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

REGULAR MEETING
JUNE 25, 2012
BOARD ROOM

The Meeting of the Oversight Board was called to order by Chairman Morris at 11:05 a.m., Monday, June 25, 2012, in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

ROLL CALL

Roll call was taken by Secretary Wyche with the following being present: Board Members Jenkins, Morris, Longville, O'Toole, Hill and Macias-Harrison; Director of Administrative Services Baker; Project Manager Trout; Agency Counsel Feld and Assistant City Attorney Grider.

Also in Attendance: Louis Landeros, Security Consultant of Southland Security Group and James "Jim" Vassilakos, member of the public.

Absent: Board Member Headrick.

1. CALL TO ORDER – Board Member Jim Morris

Please note that Item numbers 2 and 3 were presented out of sequence.

3. PUBLIC COMMENTS

Mr. Luis Landeros, Security Consultant for Southland Security Group addressed the Board stating that his company submitted a bid proposal in response to a Request for Proposal ("RFP") to the City of San Bernardino Economic Development Agency to provide security services to the Carousel Mall (the "Mall").

Mr. Landeros provided a brief synopsis of the RFP with Board Member Jenkins providing the Board with background and status information on the RFP. Additionally, Mr. Jenkins informed the Board that the San Bernardino Economic Development Corporation currently provides the security and enforcement activities for the Mall until such time the Oversight Board authorizes ownership status to the Successor Agency. Mr. Jenkins stated that the RFP is currently on file with Mr. Sam Catalano, the on-site property manager at the Mall.

DRAFT

2. **Approval of the Action Minutes of June 11, 2012 meeting - Present: Chairman Morris; Board Members: Hill, Macias-Harrison, Jenkins, and O'Toole. Absent: Board Members Headrick and Longville**

Board Member Macias-Harrison made a motion, seconded by Board Member Hill that the action minutes for the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino meeting of June 11, 2012 be approved as submitted in typewritten form.

The motion carried unanimously 5-0.

BOARD MEMBER LONGVILLE ARRIVED AT 11:27 A.M.

4. **Housing**

a. Transfer of Housing Assets – That as required by AB1X 26 the Oversight Board adopt the attached Resolution approving and directing the transfer of housing assets to the City as the Housing Successor and authorizing staff to carry out such transfer, including recording where required.

Mr. Dilip Sheth of OM Land, LLC, addressed the Board requesting a list of Housing properties.

Board Member Jenkins recommended that the item be Tabled.

Board Member Longville moved the recommendation, seconded by Board Member Jenkins that the item be tabled.

The motion carried in a 5-0 to 1 vote approval. Board Member Macias-Harrison Abstained.

b. Reconveyance of Restrictive Covenants, 1470 Creekside – That the Oversight Board approve and authorize the Successor Agency representative to execute the Full Reconveyance and cause it to be recorded.

Board Member Morris made a motion, seconded by Board Member Jenkins that the motion be amended to read "Recommend that the Successor Agency authorize representative to execute the full reconveyance it cause to be recorded or do such other exercise of authority that this Board may have the power to do in order to see that such full reconveyance occurs."

The motion carried in a 5-1 vote approval. Board Member O'Toole opposed.

5. **ROPS I and II (To be provided at meeting) –**
   - Non-Enforceable Obligations Summary
   - Enforceable Obligations Summary

No action required.

DRAFT

6. **Upcoming Oversight Board Items/Pending Requirements (No Back-Up) :**
   - Audit of Successor Agency by Rogers, Anderson, Malody and Scott (RAMS)
   - Audit of Successor Agency by State Controller – July 9, 2012 (Attached)
   - Cash Flow Analysis – Will Be Prepared After Audit
   - Property Disposition Procedures – To be Finalized After Audit
   - Obligations:
     a. PERS Unfunded Liability - approximately $700,000 in latest PERS report but the final amount will be determined at the time of termination of the contract after all retirements and transfers; to be included on subsequent ROPS starting with ROPS III
     b. GASB 45 - retiree health care costs – included on the ROPS
     c. Update on State Budget and Trailer Bills
     d. Additional items requested by Board

7. **Adjournment**

At 12:25 p.m., the meeting adjourned. The next regular meeting of the Oversight Board will take place on July 9, 2012 at 11:00 a.m., in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

By: _____
Lorraine Wyche, Secretary

DRAFT

OVERSIGHT BOARD

FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO

TO: OVERSIGHT BOARD MEMBERS DATE: AUGUST 6, 2012

FROM: CAREY K. JENKINS, DIRECTOR OF HOUSING AND COMMUNITY DEVELOPMENT ITEM NO: 4

SUBJECT: 1470 CREEKSIDE FULL RECONVEYANCE

ISSUE:

The issue before the Oversight Board is the approval of a full reconveyance for the property located at 1470 Creekside, San Bernardino, CA.

RECOMMENDATIONS:

That the Oversight Board approve of this proposed action and authorize the Successor Agency representative to submit to the City Council of San Bernardino acting as the Housing Successor Agency of the former Redevelopment Agency of the City of San Bernardino for consideration.

BACKGROUND:

On October 17, 1994, the Community Development Commission of the City of San Bernardino ("Commission") approved the Mortgage Assistance Program ("MAP"), subsequently renamed Homebuyer's Assistance Program ("HAP") which made available a limited number of deferred payment (principal and interest) second mortgages, not-to-exceed ten percent (10%) of the maximum purchase price of $250,000. This Program was designed to provide income qualified families with down payment/closing cost monies necessary to secure financing towards the purchase of single family detached homes in the City and provided an additional avenue for the former Redevelopment Agency to insure the availability of affordable housing to income qualified home buyers.

Pursuant to Resolution No. 2012-19, the City of San Bernardino confirmed itself as the Housing Successor Agency on January 23, 2012. The City previously confirmed that it is the Successor Agency to the Redevelopment Agency by adopting Resolution No. 2012-12 on January 9, 2012. The proposed action must be provided to the California Department of Finance, County Auditor-Controller, and the Office of the County Executive Officer, which have 5 days to indicate their wish to examine the transaction. Submission of such notice to these entities occurred on July 24, 2012. To the extent staff does not receive a request to examine this action, the item will be heard at the August 6, 2012 City

Council meeting. Once the Council, acting as Housing Successor Agency, confirms the action a final notification will be submitted to the entities stating the item was approved by the Housing Successor Agency at which time the transaction becomes final and the recording of the reconveyance can proceed.

CURRENT ISSUE:

In the case of 1470 Creekside, the homeowner, Annette Sandoval purchased the property in September of 2000. The homeowner obtained a first mortgage from a private lender and down payment assistance through the HAP in the amount of $11,137. Terms of the agreement required that after 10 years the loan be forgiven and the affordability covenants removed. That 10-year period has passed. What remains for an additional twenty years are maintenance conditions: 1) if the home is sold, the new buyer must observe and adhere to the remaining maintenance condition and; 2) covenants associated with the original buyer's down payment assistance loan for the remainder of that term. In the past, this has been achieved by using a partial reconveyance of the affordability portion of the covenant while the maintenance covenant remained evidenced by signing a PARTIAL SATISFACTION OF HOME PROGRAM AFFORDABLE HOUSING REGULATORY AGREEMENT AND COVENANTS.

Presently, an escrow is pending to sell the home to a private party (Jim Vassilakos). Rather than accept a partial reconveyance, the buyer's lender, citing federal loan regulations, will not fund the buyer's loan unless the agreement is fully released. We have confirmed that the title company will not accept a partial reconveyance. It is further understood that the title company needs a resolution action in which the Oversight Board confirms that the Covenant is a housing asset and/or housing function, and desires to authorize Successor Agency staff to transfer all rights and interests in the Covenant to the City in its capacity as the Housing Successor Agency. Because this matter has been delayed, we recommend that the Oversight Board approve the action and authorize staff to process this request to Council for final approval of the full reconveyance in this case. Future such reconveyances should and will be taken on a case-by-case basis.

Attachment:

- Resolution of the Oversight Board of the City of San Bernardino Pursuant to a Request to Terminate and Fully Reconvey a Restrictive Covenant

- Termination of Home Program Affordable Housing Regulatory Agreement and Covenant

RESOLUTION NO. SBOB/2012-

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO PURSUANT TO A REQUEST TO TERMINATE AND FULLY RECONVEY A RESTRICTIVE COVENANT

WHEREAS, on January 9, 2012, the Mayor and Common Council of the City of San Bernardino ("Council") adopted Resolution No. 2012-12 confirming that the City of San Bernardino would be the Successor Agency to the Redevelopment Agency ("Agency") of the City of San Bernardino ("Successor Agency") effective February 1, 2012, pursuant to AB1X 26 (The Redevelopment Agency Dissolution Act); and

WHEREAS, on January 23, 2012, the Council adopted Resolution No. 2012-19 providing for the City to become the Housing Successor and to perform housing functions previously performed by the Agency; and

WHEREAS, pursuant to Health & Safety Code Section 34181(c) of ABlX 26 the Oversight Board is to direct the transfer of housing responsibilities, including all rights, powers, duties, obligations and assets, to the Housing Successor; and

WHEREAS, pursuant to Health & Safety Code Section 34176(e)(1) of AB1484 the restrictions on the use of real property such as affordability covenants entered into by the Agency are considered a housing asset; and

WHEREAS, a covenant affecting real property exists dated as of August 14, 2000, and recorded on September 25, 2000, as Instrument Number 20000346932 in the Official Records of the County of San Bernardino ("Covenant") wherein the affordability restrictions on said covenant are no longer in effect; and

WHEREAS, the Covenant which is entitled, "The Community Redevelopment Housing Affordability Covenants and Restrictions for the Agency Mortgage Assistance Program," states the Qualified Homebuyer covenants and agrees that during the term of the Qualified Residence Period the home shall be used and occupied by the Qualified Homebuyer as its principal residence, and that the home shall be reserved for sale, use and occupancy by the Qualified Homebuyer and/or another Low-Moderate Income Household as a Successor-In-Interest at an affordable housing costs; and

WHEREAS, the Qualified Residency Period is defined in the Covenant as the period of time beginning on the date of delivery of title and possession of the home to the Qualified Homebuyer at

4

the close of the New Home Escrow which would have been September 25, 2000 and running through September 25, 2010; and

WHEREAS, an escrow has been opened on the real property located at 1470 Creekside Drive San Bernardino, California (the "Property") affected by the Covenant in which escrow cannot close and a clear chain of title cannot be provided to the buyer of the Property and his lender without the termination and full reconveyance of the Covenant; and

WHEREAS, the Oversight Board desires to confirm that the Covenant is a housing asset and/or housing function, and desires to authorize Successor Agency staff to transfer all rights and interests in the Covenant to the City in its capacity as the Housing Successor Agency; and

WHEREAS, the State of California Department of Finance, the County Auditor-Controller of the County of San Bernardino and the Office of the Chief Executive Officer of the County of San Bernardino have been properly notified prior to the adoption of this Resolution SBOB/2012-__.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD MEMBERS OF THE OVERSIGHT BOARD, AS FOLLOWS:

Section 1. Pursuant to Health & Safety Code Section 34176, the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino does hereby find and determine the Covenant to be a housing asset and does hereby direct Successor Agency staff to transfer the Covenant to the City in its capacity as the Housing Successor Agency, in order to allow the City to act on the request to terminate and fully reconvey the Covenant as described as Instrument Number 20000346932 in the Official Records of the County of San Bernardino.

Section 2. Upon approval by the Council acting in its capacity as Housing Successor Agency, the City may authorize Carey Jenkins, Director of Housing, to effectuate the execution of such termination of the Covenant and cause it to be recorded in the Official Records of the County of San Bernardino.

Section 3. This Resolution shall take effect from and after its date of adoption by this Board and the expiration of five business days from its transmittal to the Department of Finance.

///

///

///

///

4

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO PURSUANT TO A REQUEST TO TERMINATE AND FULLY RECONVEY A RESTRICTIVE COVENANT

PASSED, APPROVED AND ADOPTED THIS ___ day of _____, 2012, by the following vote:

Board Members:	Ayes	Nays	Abstain	Absent
JENKINS	____	____	____	____
HEADRICK	____	____	____	____
MACIAS-HARRISON	____	____	____	____
HILL	____	____	____	____
LONGVILLE	____	____	____	____
O'TOOLE	____	____	____	____
MORRIS	____	____	____	____

_____
Secretary

The foregoing Resolution is hereby approved this _____ day of _____, 2012.

_____
Jim Morris, Chairman
Oversight Board for the City of San Bernardino
As Successor Agency to the Redevelopment
Agency of the City of San Bernardino

Approved as to Form:

By:_____
Counsel

4

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of San Bernardino as the Successor Housing Agency to
the Redevelopment Agency of the City of San Bernardino
201 North "E" Street, Suite 301
San Bernardino, California 92401

Space Above For Recorder's Use Only

Recording Fee Exempt Pursuant to
Government Code Section 6103

TERMINATION OF HOME PROGRAM AFFORDABLE HOUSING REGULATORY AGREEMENT AND COVENANTS (ANNETTE SANDOVAL)

This TERMINATION OF HOME PROGRAM AFFORDABLE HOUSING REGULATORY AGREEMENT AND COVENANTS (ANNETTE SANDOVAL) is made pursuant to the terms of that certain HOME PROGRAM AFFORDABLE HOUSING REGULATORY AGREEMENT AND COVENANTS (ANNETTE SANDOVAL) (the "Covenant") executed by Annette Sandoval (the "Qualified Homebuyer") and the Redevelopment Agency of the City of San Bernardino, a public body, corporate and politic (the "Agency"), dated as of August 14, 2000, and recorded on September 25, 2000, as Instrument Number 20000346932 in the Official Records of the County of San Bernardino. All rights and obligations of the Agency have since been transferred to the City of San Bernardino as the Successor to the former Agency (the "City as Successor Housing Agency") pursuant to Mayor and Common Council Resolution No. 2012-19 dated January 23, 2012.

The Covenant affects the real property (the "Property") located at 1470 Creekside, San Bernardino, California, and the Property is more particularly described in the legal description attached hereto as Exhibit "A".

The City as Successor Housing Agency hereby certifies that the Covenant has been satisfied and terminated, and the Covenant is no longer in force and effect and that the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino has consented to such termination effective August 6, 2012.

THE CITY OF SAN BERNARDINO
a public body, corporate and politic as the
SUCCESSOR HOUSING AGENCY

Dated:_____

By:_____
Carey K. Jenkins
Housing Director

(Notary Acknowledgment Attached)

4

EXHIBIT "A"

LEGAL DESCRIPTION

LOT 2 OF TRACT 10304, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 148, PAGE(S) 38 TO 40 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 0266-331-000