



MINUTES
OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE NORCO CRA
REGULAR MEETING
NORCO CITY HALL – 2870 CLARK AVENUE
CONFERENCE ROOM A
November 24, 2014

CALL TO ORDER: 11:00 a.m.

ROLL CALL: Patrick Malone, Chairperson, **Present**
Richard L. MacGregor, Vice-Chairperson, **Present**
Kevin Bash, Board Member, **Present**
Aaron Brown, Board Member, **Absent**
Linda Dixon, Board Member, **Present**
Sherry Mata, Board Member, **Absent**
Brian Petree, Board Member, **Present**

PLEDGE OF ALLEGIANCE: Board Member Linda Dixon

1. BUSINESS ITEMS:

A. Approval of the September 29, 2014 Regular Meeting Minutes. (Secretary)

M/S DIXON/BASH to adopt OB Resolution No. 2014-07, approving the September 29, 2014 regular meeting minutes. The motion carried as a result of the following roll call vote:

AYES: BASH, DIXON, MACGREGOR, MALONE, PETREE
NOES: NONE
ABSENT: BROWN, MATA
ABSTAIN: NONE

B. Resolution Determining that Certain Property (Silverlakes) is Governmental Use Property and Directing the Successor Agency to Transfer Said Property to the City of Norco. (Executive Director)

Executive Director Andy Okoro reported that as part of the dissolution of Redevelopment Agencies, Successor Agencies were required to prepare a list of all asset transfers between the City and the Redevelopment Agency for review by the Department of Finance (DOF) and the State Controller's Office (SCO). The asset transfer list prepared by the City was reviewed by the DOF who subsequently issued the City a Letter of Finding of Completion. The State Controller is also required to complete a review of all asset transfers. The SCO did a field audit and reviewed the \$49.9 million worth of transfers. Following the conclusion of the audit, SCO determined that the transfer of the Silverlakes property to the City was invalid based solely on the date of the transfer. At the exit interview, staff maintained that the transfer of the Silverlakes property was consistent with the terms of AB x126 and the provisions of AB 1484 based on the Memorandum of Understanding between the City and Balboa Management Group, LLC in 2008 and the deed restriction stating the property as governmental use property. As a corrective action to address the SCO's pending initial finding that the transfer of the Silverlakes property was not consistent with provisions of the dissolution legislations, the SCO has suggested that the City first obtain the approval of the Oversight Board before transferring the Silverlakes parcels to the City.

Lisa Campbell asked if this transfer is in any way a financial detriment to the City. City Attorney Harper responded that there is no financial impact to the City.

Harvey Sullivan commented on the previous transfer of the property at \$1 and asked if the City needs to revalue the property for this action. City Attorney Harper indicated that what the SCO has requested is that the Oversight Board simply direct the Successor Agency to reaffirm the transfer. The action is not an issue of value; instead it is purely an issue of title. Mr. Sullivan commented that he is glad to see this action taken by the Oversight Board.

Lisa Campbell commented about AB 1484 and how it relates to this transfer. City Attorney Harper indicated that AB 1484 did not change any process, it clarified the language in the original statute. The SCO has tentatively taken the position that the Memorandum of Understanding between the City and Balboa is not binding, which the City does not agree with. Rather than litigate, the Oversight Board action will reaffirm the transfer.

Ted Hoffman asked if this action affects the bond holders. Mr. Harper indicated that it does not.

Board Member Bash commented that the City is no longer involved with the Redevelopment Agency except through the Successor Agency and requested clarification. City Attorney Harper stated that the pass through that came to the Redevelopment Agencies went away as did the obligation to pay any debt statewide. The debt is paid at the County level. The City has never had any obligation to pay Redevelopment Agency bonds. City Manager Okoro added that the tax increment is now collected by the County and placed in a pool. The pool is distributed amongst taxing entities, which include the Corona-Norco Unified School District, County of Riverside, Vector Control, Riverside County Flood Control District, and the Successor Agency. The City is required to submit to the Department of Finance, on a bi-annual basis, the amount that is necessary to make the debt service payment for the next six months, as well as to reimburse the City for any certain administrative costs and any other costs that were obligations of the former Redevelopment Agency. This information is submitted to the State Department of Finance and approved. The approval is forwarded to the County, who in turn, sends the funds to the City to make the debt service payment. The payment does not come from City resources.

M/S BASH/MACGREGOR to adopt OB Resolution No. 2014-08, determining that the Silverlakes property is governmental use property and directing the Successor Agency to transfer it to the City of Norco. The motion carried as a result of the following roll call vote:

AYES: BASH, BROWN, DIXON, MACGREGOR, MALONE, PETREE

NOES: NONE

ABSENT: BROWN, MATA

ABSTAIN: NONE

2. PUBLIC COMMENTS

Harvey Sullivan commented on several properties in the City for disposal by the Successor Agency. Mr. Sullivan specifically asked about the property River Road and Second Street. City Manager Okoro stated that the property is with the Housing Successor Agency. That agency will dispose of the property and proceeds will go towards housing programs.

3. FUTURE AGENDA ITEMS

None recommended.

4. NEXT REGULAR MEETING DATE AND TIME

Executive Director Okoro stated that the next regular meeting will be determined at a later date.

ADJOURNMENT

There being no further business to come before the Oversight Board, Chairperson Malone adjourned the meeting at 11:28 a.m.

Cheryl L. Link, Secretary