

**MINUTES OF THE OVERSIGHT BOARD
FONTANA REDEVELOPMENT SUCCESSOR AGENCY
FRIDAY, OCTOBER 19, 2012**

CALL TO ORDER/ROLL CALL:

The Meeting of the Oversight Board, Fontana Redevelopment Successor Agency, was called to order at 9:03 a.m., which was held on Friday, October 19, 2012, in the Fontana City Hall, Executive Conference Room, 8353 Sierra Avenue, Fontana, California.

OSB Members Present: Chairperson Evelyne Ssenkoloto and OSB Members Dr. Eric Bishop, Alejandro Alvarez, Lynne Fischer, and John Roberts. OSB Members Absent: Vice-Chair Acquanetta Warren and Laura Mancha.

OSB Staff Present: David Edgar, Deputy City Manager, Administrative Services; Lisa Strong, Management Services Director; and Cecilia Lopez-Henderson, Administrative Project Coordinator (Recording Secretary).

PUBLIC COMMUNICATIONS: There were no public communications received.

A. APPROVAL OF MINUTES FROM AUGUST 24, 2012 MEETING

ACTION: Motion was made by OSB Member Alvarez, and seconded by OSB Member Bishop to approve the August 24, 2012, Minutes of the Oversight Board Meeting, Fontana Redevelopment Successor Agency. Motion passed by vote of Ayes: 5; Noes: 0; Absent: 2.

B. DUE DILIGENCE REVIEW OF THE LOW AND MODERATE INCOME HOUSING FUND

Chairperson Ssenkoloto asked whether any written communication was received on this matter. Recording Secretary Cecilia Lopez-Henderson stated that no written communication was received.

Deputy City Manager David Edgar provided introductory comments concerning Assembly Bill 1484 relative to the Due Diligence Review of the Low and Moderate Income Housing Fund. Under AB 1484, the City is obligated to complete two due diligence reviews. This is the first Low and Moderate Income Housing Fund review and the Oversight Board is soliciting public input. Mr. Edgar stated that the law is clear that the City is obligated to solicit public input, but the law is unclear whether the City is obligated to prepare a response to the input. Mr. Edgar stated this is an important point because the objectivity of the information that has been compiled needs to be preserved, and cautioned the Oversight Board about making extensive changes to the document. The City's Auditors and CPAs have done an extensive review of the

information, and if any changes are made, the information must remain as objective as possible for submittal to the Department of Finance (DOF).

Lisa Strong, Director of Management of Services, gave the staff report. Ms. Strong stated that the review is for the Low to Moderate Income Housing Fund, which was done by the City's external auditors, Lance Soll & Lunghard. The City's external auditors were approved by the County to conduct the review, and the auditors followed the agreed upon procedures, which was a list of procedures for Due Diligence Review of the Low and Moderate Housing Fund. Ms. Strong stated that the auditors basically reviewed all the transactions in the Low and Moderate Income Housing Fund from January 1, 2011 through June 30, 2012. The auditors made sure that all the transactions were based on the Enforceable Obligation Payment Schedule (EOPS) or Recognized Obligation Payment Schedule (ROPS) that were previously approved by the Oversight Board and the DOF. Based on the report, the amount to be transferred to the County for disbursement to the other taxing entities is zero; no money is due to the County for distribution to the other entities. Ms. Strong stated that the auditors have started the second Due Diligence Review on the other funds and the report will be ready soon.

OSB Member Fischer asked whether Fontana had a Housing Authority. Ms. Strong responded that the Fontana Housing Authority is the Successor Agency. Discussion ensued regarding the formation of the Fontana Housing Authority, and its present use as a financing vehicle to administer bonds and maintenance of an asset portfolio.

Chairperson Ssenkoloto stated that no written communication or public comment cards were received on this item. The public comment session was closed and the motion was called.

ACTION: Motion was made by OSB Member Bishop, seconded by OSB Member Fischer to acknowledge receipt of the Due Diligence Review of the Low and Moderate Income Housing Fund.; motion carried by a vote of Ayes: 5, Noes: 0, Absent: 2.

C. STAFF/BOARD MEMBERS COMMUNICATION

There were no other comments were received from board members.

Deputy City Manager David Edgar presented a handout outlining the Fontana Oversight Board's Upcoming Meeting Schedule and Important Dates for the Due Diligence Reviews. Copies were distributed to the OSB Members; a copy is on file with the City Clerk's Department. Mr. Edgar highlighted the upcoming meeting dates and requested that the OSB Members confirm their attendance by contacting staff, as a quorum must be established for **each** meeting so that the process can continue. The Due Diligence Review will return to the OSB for action on November 2, 2012, and then submitted to the Department of Finance (DOF). Mr. Edgar added that the Low to Moderate Income

Housing Fund is scheduled for the Successor Agency on October 23, 2012. Mr. Edgar stated that staff's goal is to have both Due Diligence Reviews completed and approved by the Oversight Board and the Successor Agency, and submitted to the DOF by the end of 2012. The DOF has until April 1, 2013 to provide notice certifying that the reviews are complete. The April 1 date is important because then the Property Disposition Strategy can be submitted.

Discussion ensued concerning the Property Disposition Strategy, which will be presented in early 2013. No other staff comments were provided.

ADJOURNMENT:

Chairperson Ssenkoloto adjourned the Fontana Oversight Board Meeting at 9:14 a.m.

for: Cecilia L. Henderson
Lynne Fischer
Secretary

Evelyn Ssenkoloto
Evelyn Ssenkoloto
Chairperson