

**MINUTES OF THE JOINT SPECIAL MEETING OF THE MADERA CITY COUNCIL AND
REGULAR MEETING OF THE MADERA REDEVELOPMENT AGENCY
CITY OF MADERA, CALIFORNIA**

March 9, 2011
6:00 p.m.

City Hall
Council Chambers

1. CALL TO ORDER – CLOSED SESSION

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress called to order the Closed Session for the Regular Meeting of the Housing Authority of the City of Madera and the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:00 p.m.

ROLL CALL Present: Mayor/Chairperson Robert Poythress
 Mayor Pro-Tem/Vice Chairperson Brett Frazier
 Council/Agency Member Sally Bomprezzi
 Council/Agency Member Gary Svanda
 Excused Absence: Council/Agency Member Sam Armentrout

PUBLIC COMMENT – CLOSED SESSION

The first fifteen minutes of this portion of the meeting are reserved for members of the public to address the Agency or Council on Closed Session items listed on the Agenda. Speakers seeking to comment on other items are requested to make those comments during the Public Comment portion of the meeting at 6:30 p.m. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. The Agency and Council are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Agency or Council does not respond to public comment at this time.

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress opened the Public Comment portion of the meeting inviting members of the public to address the Agency/City Council.
No comments were heard.

2. CLOSED SESSION

There are no items for this section.

Mayor/Agency Chairperson Poythress recessed the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:04 p.m. and called for the Closed Session announcement as listed on the agenda of the Regular Meeting of the Housing Authority of the City of Madera. The Housing Commissioners adjourned to closed session at 6:04 p.m. and returned to the Council Chambers at 6:24 p.m.

Housing Authority Chairperson Robert Poythress adjourned the Closed Session portion of the meeting at 6:25 p.m.

Mayor/Agency Chairperson reopened the Joint Special City Council and Regular Madera Redevelopment Agency Meeting at 6:25 p.m. and called for the Workshop Presentation.

WORKSHOP Report on the Hughes Neighborhood Cleanup Project (Report by Roger Anderson)
 Report on the Vista del Sierra Neighborhood Cleanup Project (Report by Monica Diaz)

Neighborhood Preservation Manager Manuel Ruiz reported this year staff has focused efforts to create and encourage community partnership and participation throughout the city, including the Hughes neighborhood bordering 'I' Street, Yosemite Avenue, Olive Avenue and Pine Street, the Sierra Vista area in the 700 – 900 blocks of 'B' Street, Lincoln Street and various neighborhoods where the graffiti captains reside. He said community leaders are equipping neighbors to take back their neighborhoods to make them choice places to live. Mr. Ruiz introduced Pastor Mike Farmer of the Fourth Street Church of God and several of the members of the church who focused on the Hughes Neighborhood Cleanup project, and

acknowledged staff participating in the project including Neighborhood Preservation Officer Roger Anderson and Graffiti Abatement Team Leader Al Nash.

Neighborhood Preservation Officer Mr. Roger Anderson addressed the Council stating that on February 5, 2011 the Fourth Street Church of God participated in an alley cleanup with the Neighborhood Revitalization Department. He said after several discussions with the pastor of the church, he indicated that the members of the church were looking for a project in which they could give back to the community and as a result, the cleanup of the Hughes neighborhood was scheduled. Mr. Anderson advised that in addition to NR staff, 29 members of the church staff participated, with 1.3 tons of trash removed. Mr. Anderson presented Pastor Farmer with a certificate of appreciation from the City of Madera for their participation in the cleanup project. Mr. Anderson advised that another project with the church members has been scheduled for April 9, 2011.

Pastor Mike Farmer addressed the Council thanking them for an opportunity to give back to the community and stated that he feels God is challenging the members of the church to be involved in the community and this project presented a great opportunity. Pastor Farmer said the project had an interesting start with Roger visiting the church office requesting that the church lawn be mowed or fines would have to be issued. Pastor Farmer reflected that "God can use anything!" Pastor Farmer indicated that all 29 members could not be present and introduced those members representing the group, including Carol Lawrence, Shelly Stinnett, Trudy Price and Larry Hibdon.

Mayor Poythress expressed his appreciation to the members of the church for not only their participation but for their leadership to the rest of the community and other churches to take part and get involved.

Neighborhood Preservation Officer Monica Diaz presented the Council with a report on the Vista del Sierra Neighborhood project on Saturday, February 12, 2011. Ms. Diaz explained the event was also known as the 3rd Annual Trio Day and said that Trio Day is a set of federally funded programs that helps local low-income and first generation students enter college after high school, graduate and move on to become contributing citizens. The Trio Day event provides an opportunity to the students to give back to the communities that support them throughout the year. Ms. Diaz indicated that Vista del Sierra was selected because of the residents' high involvement in city programs. She said the community leaders for this area are Mrs. Eva and Mr. Luis Ceja and have been very prominent in speaking out against graffiti. The work completed included landscaping, cleanup, curb addressing, and graffiti removal. There were 70 total volunteers participating in the event. Thirty of the volunteers were from an umbrella out of Trio, called Upward Bound, which is usually the recruitment program for Trio; 20 of the volunteers were from Student Supportive Services who are the older students enrolled in college and fulfilling their goals. In addition, there were 15 residents participating in the event. Ms. Diaz reported that 420 one-gallon plants were planted, 1.64 tons of trash removed, and numerous graffiti tags removed from the Vista del Sierra neighborhood. She noted that the event was made possible by a partnership of city departments, RDA, Madera Center and the residents of the community. Ms. Diaz thanked Monica Nolasco of Upward Bound/Trio Programs and Vicky Martinez of SSS/Trio Programs for their participation in the event. She also thanked the vendors that made the day possible, including GBS Hardware, Sherwin Williams, Lowes, Me and Ed's Pizza, Pacifica Pizza, Pizza Hut, Save Mart Supermarkets, Rancho San Miguel, Sunrise Market, Azteco De Oro Restaurant, Allied Waste who donated a bin for the project, RDA and Gabriel Rodriquez, photographer for the project.

Mayor Poythress noted that he and Mayor Pro-Tem Frazier attended the event. He said it was gratifying to see the community come together and exhibit pride in their neighborhoods. He said he was really impressed by the young kids who removed numerous graffiti tags. He said, similar to the previous church group, this group is providing community leadership, rolling up their sleeves, volunteering and providing a great example of what can be accomplished when neighbors work together. Mayor Poythress stated he will be attending a block party at the Ceja's home on March 10th at 6 p.m., which he said is all part of the block program and communities coming together and concluded that it is great to see these programs come together.

3. CALL TO ORDER – REGULAR SESSION

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress called the meetings of the Housing Authority of the City of Madera and the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency to order at 6:36 p.m.

ROLL CALL Present: Mayor/Chairperson Robert Poythress
Mayor Pro-Tem/Vice Chairperson Brett Frazier
Council/Agency Member Sally Bomprezzi
Council/Agency Member Gary Svanda
Excused Absence: Council/Agency Member Sam Armentrout

Agency staff members present: Executive Director Jim Taubert, General Counsel/City Attorney Richard Denhalter, Agency Treasurer/Finance Director David Croff, Redevelopment Manager Bob Wilson, Manuel Ruiz, Neighborhood Preservation Manager, and Agency Secretary Sandi Brown.

City of Madera staff members present: City Administrator David Tooley.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Robert Poythress.

PUBLIC COMMENT – REGULAR SESSION

The first fifteen minutes of the meeting are reserved for members of the public to address the Agency or Council on items which are within the subject matter jurisdiction of the Agency or Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson/Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Agency and Council are prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Agency or Council does not respond to public comment at this time.

*Mayor/Chairperson Poythress opened the Public Comment portion of the meeting inviting members of the public to address the City Council/Agency/Commission on non-agenda items.
No comments were offered.*

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress recessed the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:39 p.m. and called for the items as listed on the regular meeting agenda of the Housing Authority.

Mayor/Agency Chairperson/Housing Authority Chairperson Robert Poythress adjourned the Regular Meeting of the Housing Authority of the City of Madera at 6:47 p.m. and reconvened the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 6:50 p.m.

INTRODUCTION

Lou Donaldson, Part-time Code Enforcement Consultant

Neighborhood Preservation Manager Manuel Ruiz introduced Lou Donaldson, part-time Code Enforcement Consultant. Mr. Ruiz advised that Mr. Donaldson is newly hired to address abandoned vehicles and foreclosed properties, and he is already using his developed customer service skills in the city to remove disabled vehicles from city streets. He said if he had a work motto, it would state 'work smarter, not harder.'

Lou Donaldson addressed the members of the Agency Board/Council expressing his appreciation to the Council and to Jim Taubert and Manuel Ruiz. He said that he is recently retired from state services with 26

years experience with the state and over 30 years with law enforcement. He said this position has given him an opportunity to learn something new and said that he previously had no clue as to what redevelopment entailed and the benefits offered to the city. Mr. Donaldson said Jim had provided him with a tour of RDA projects and said that he was amazed. He advised that coming from law enforcement he said his life focused in that one realm and he now has had an opportunity to learn a lot about the city. He said that from someone who had zero knowledge, these guys are doing a great job and said he was glad to be part of the team.

Mayor/Agency Chairperson called for the items as listed on the Consent Calendar.

4. CONSENT CALENDAR

- 4A. Minutes of the Joint Meeting of the Special Meeting of Madera City Council and Regular Meeting of the Madera Redevelopment Agency – February 9, 2011 **(City/Agency)**
- 4B. Listing of Warrants Issued from February 5, 2011 to March 4, 2011 **(Agency)**
- 4C. Monthly Financial Reports – Redevelopment Agency **(Agency)**
- 4D. Monthly Financial Reports – Code Enforcement **(City)**
- 4E. Code Enforcement Activity Report **(City)**
- 4F. Consideration of a Resolution Releasing DMP Development Corporation, Inc. from Declaration of Covenants and Restrictions, Construction Loan Agreement and Approving a Request for Full Reconveyance Upon the Resale of Property Located at 308 North 'B' Street to MORES, Inc. (Madera Opportunities for Resident Enrichment and Services, Inc.) **(Agency)**
- 4G. Consideration of a Resolution Amending the Madera Redevelopment Agency By-Laws **(Agency)**

Mayor/Chairperson Poythress asked members of the Council/Agency Board if there were items on the Consent Calendar they wished to have pulled for further discussion.

Mayor/Chairperson declared a conflict of interest on Item 4F due to a customer relationship.

Mayor/Chairperson Poythress called for a motion to approve the items presented on the Consent Calendar, excluding Item 4F.

MRA-1465 RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY, MADERA CALIFORNIA, APPROVING AMENDMENTS TO THE BY-LAWS OF THE MADERA REDEVELOPMENT AGENCY (4G)

*On motion by Council/Agency Member Frazier, seconded by Council/Agency Member Svanda, the Consent Calendar was approved, with the exception of Item 4F, by the following vote 4/0 vote: Ayes: Council/Agency Members Poythress, Frazier, Bomprezzi and Svanda; Noes: None; Excused Absence: Council/Agency Member Armentrout resulting in the approval of the minutes of the Joint Meeting of the Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency for February 9, 2011 and the adoption of Resolution **MRA-1465**.*

Mayor/Chairperson Poythress exited the Council Chambers at 6:53 p.m.

Mayor Pro-Tem/Vice Chairperson Frazier called for a motion on Item 4F.

MRA-1464 RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY, MADERA CALIFORNIA, APPROVING A FULL RECONVEYANCE UPON THE RESALE OF PROPERTY TO MADERA OPPORTUNITIES FOR RESIDENT ENRICHMENT AND SERVICES INC., AND APPROVING THE RELEASE OF DMP DEVELOPMENT FROM DECLARATION OF COVENANTS AND RESTRICTIONS AND CONSTRUCTION LOAN AGREEMENT RECORDED ON PROPERTY LOCATED AT 308 NORTH 'B' STREET AND AUTHORIZING THE CHAIRPERSON TO EXECUTE THE FULL RECONVEYANCE AND RELEASE OF CONSTRUCTION LOAN AGREEMENT AND

DECLARATION OF COVENANTS AND RESTRICTIONS ON BEHALF OF THE
MADERA REDEVELOPMENT AGENCY (4F)

On motion by Agency Member Bompreszi, seconded by Agency Member Svanda, the adoption of resolution MRA-1464 was approved by the following 3/0 vote: Ayes: Agency Members Frazier, Bompreszi and Svanda; Noes: None; Abstain: Agency Member Poythress; Excused Absence: Agency Member Armentrout.

Mayor/Chairperson Poythress returned to the Council Chambers at 6:55 p.m.

5. PROJECTS AND REPORTS

5A. Update on Governor Brown's Proposed State Budget (Agency)

Mr. Taubert presented the staff report reviewing the legislation that was introduced on February 23, 2011. He said that the most concise summary was provided by Goldfarb and Lipman and is included in the agenda packet. Since the introduction of the legislation, Mr. Taubert said that there have been a number of agencies up and down the state taking actions similar to the actions we took this past Sunday (March 6). He said it was reported that on Sunday, Monday and Tuesday 15 to 16 agencies held emergency meetings for the primary purpose of transferring properties from their redevelopment agencies to their cities, and said that whatever it was that Mr. Knox heard, a lot of other agencies heard it too.

Mr. Taubert advised that he had received a call early this morning (March 9) and was asked if the Agency's money was still in LAIF (Local Agency Investment Fund). He said that he called David Croff and he indicated that the Agency had about \$7.6 million in LAIF. The recommendation had been given that we move that money out of LAIF because it is controlled by the State of California and those assets could be potentially frozen. Mr. Taubert said the transfer of funds out of LAIF was made this morning.

Mr. Taubert continued summarizing the legislation that has been introduced. Several issues are interesting and one being it is silent on housing funds. He said that there supposedly has been legislation to amend this – that housing funds will be part of the automatic pass-through payments. Apparently the housing entities have started to raise concern about what is going to happen with housing. He advised that staff has not yet seen this language.

Mr. Taubert addressed the potential reorganization of the Agency as of July 1st. He said the first item this Board/Council would be responsible for is appointing the Successor Agency. He said you can appoint yourselves to do that but are not required to appoint yourselves. He said that the reason is because there are a number of agencies that hold acres and acres of contaminated land and if there is no mechanism to finance the cleanup, the agency may not want to have the land in the chain of ownership of the city. He advised that we do not have any contaminated land, and if the Board/Council chooses not to be the Successor Agency, then it is first come-first served and anybody can be the Successor Agency. He continued that there will also be an Oversight Board, comprised primarily of the Madera County Board of Supervisors and staff from the Madera County Department of Education. The Successor Agency will appoint staff; it could be existing staff, but there is nothing that says who will staff the Oversight Board. He said you (as the Successor Agency) will be involved in the day-to-day activities of disposing of all of the Agency's assets and paying off all debts, and anything extraordinary that you do, you have to report to the Oversight Board. The Oversight Board has no financial responsibility. You have all the financial responsibility; however, you do not control the funds. The funds are controlled by the Madera County Auditor/Controller. Mr. Taubert commented that probably the role whose control and power expands most significantly would be the county auditor/controller. He stated that he had talked to Janet as recently as today and she has been calling her professional associations and there has been no formal contact with county auditors in any of the 58 counties. Janet said that she and Eric have been looking at the legislation and the roles, and they simply would be fairly overwhelmed unless they hired a lot of additional personnel, and they only have two agencies to dismantle. If you were to think of agencies in L.A. or Orange, he said the cost of dissolution would be fairly significant. He said that Janet can recoup her costs through tax increment and will have to provide reports two times a year to the state controller who can also recoup their costs from our tax increment. So, he said, when you think about all the fingers that will go into local tax

increment to handle the dissolution, our administrative costs will increase by 300-400%. Once everybody gets done taking their fraction of the action, he said, there will not be much left to dole out. He said if this gets passed, July 1 staff will be prepared to pass over the documents required to the county auditor.

Mr. Taubert advised that yesterday the Republican coalition, made up of five Senate Republicans who have been meeting with Governor Brown, had a list of issues that if the governor would agree, they would agree to put a tax increase on the ballot. One of the issues was reform and save redevelopment agencies. Yesterday they declared an impasse and today they started talking again. When the impasse was declared, it was the best news received until the State Controller's audit report came out. The report was related to the audit of 18 agencies that were carefully picked to be sure they could find several issues. Issues were found in cities such as Palm Desert, Coronado, Pittsburg and San Jose. He said that newspaper headlines appeared to blast redevelopment agencies, but if one took the time to read through the full report, the issues of misuse of redevelopment funds were limited to a few cities and overall did not appear to be that bad. Mr. Taubert advised he had learned that the City of Manteca, not waiting for CRA or the League of California Cities, took action yesterday approving \$250,000 in funding to go their own way and file a lawsuit if that is what it takes. Mr. Taubert noted that an e-mail was sent from the League to Mr. Tooley at 5:30 p.m. today that indicated a vote would be temporarily delayed and the reason given was the governor has continued to engage in positive budget discussion with the legislators on both sides of the aisle and for that reason he has requested a delay to allow more time to find common ground and put the state finances back in balance. Mr. Taubert noted that over the past 48 hours the tone continues to change, as well as the players in the game, and he said by tomorrow there will be further changes. He said that he is hearing from CRA they are in negotiations, but has not heard specifics. He said the fascinating development to him is the fact that the county auditors have not been brought into the discussions, and considering the significance in their role in the dissolution, he was surprised that there have been no discussions. Mr. Taubert asked if there were further questions from the members of the Agency Board and there were none.

6. AGREEMENTS

There are no items for this section.

7. HOUSING

7A. Consideration of a Resolution Approving the Sales Agreement for the Purchase of Lots 6-28 of the Riverside Villas Subdivision (Agency)

Mr. Taubert presented the staff report advising that the Agency had a previous owner-participation agreement for \$208,000 to participate on up to seven (7) homes in this subdivision. The Bank of Sierra foreclosed on the property but they only foreclosed on the lots and not the temporary storm drainage pond or the streets. He said that in talking to both the City Engineer and City Attorney, he confirmed that once the city accepts those streets, we can get around that issue. However, there is an easement with regard to the storm drainage pond that says either a homeowners', landscape or lighting district will pay and presumably own that storm drainage pond. He said to give you a local example, consider the pond at Stadium and Maple, except on that one there is no covenant for maintenance and there will be a covenant for maintenance on this pond. He continued saying the other minor issue is there is a storm drain line going right through one of the lots, which means it will be impossible to design a house with that easement so we will probably develop an access trail on the lot to the river trail. Mr. Taubert said the Agency is purchasing the property for about \$7,800 per lot with the terms of sales at \$180,000, escrow of 60 days or less, escrow fees split equally, and the seller is responsible for title insurance, county transfer tax and broker compensation. Mr. Taubert asked if there were questions.

Agency Member Svanda asked if this subdivision was listed in our bond venture or was one of the 16 items listed to use as an excuse for the transfer of assets and cash on Sunday, and if not, what is our justification for proceeding with the purchase.

Mr. Taubert replied that the Agency entered into the original owner-participation agreement in 06/07 and we actually have an owner-participation agreement.

Vice-Chairperson Frazier asked if the subdivision was included in the 16 projects listed. Mr. Taubert said it was not – Riverwalk Subdivision was, but Riverside Villas was not.

Agency Member Svanda asked General Counsel if in his opinion this could become problematic, even if the other actions were taken to preserve not only buildings but cash, and we are using the predication that it has been on our bond venture and five year plan, having not adding this project, does this action smell funny.

General Counsel Richard Denhalter stated that the Agency is in a position where you can do business as usual until the world changes. You might want to consider at some point adding this to that list by amending the action that was taken on Sunday, so that there is someone who can administer the process for this particular purchase. But, at this time, you are not prohibited from doing it. This is business as usual for the Agency and it has been a long time coming.

Chairperson Poythress asked if there were further questions. There were none.

Chairperson Poythress called for a motion to adopt the following resolution.

MRA-1466 RESOLUTION OF THE MADERA REDEVELOPMENT AGENCY, MADERA, CALIFORNIA, APPROVING AGREEMENT WITH THE BANK OF SIERRA FOR THE PURCHASE OF REAL PROPERTY KNOWN AS LOTS 6-28 OF THE RIVERSIDE VILLAS SUBDIVISION, IN THE CITY OF MADERA AND AUTHORIZING THE CHAIRPERSON TO EXECUTE THE AGREEMENT AND ACCEPT THE PROPERTY ON BEHALF OF THE AGENCY (7A)

On motion by Agency Member Bomprezzi, seconded by Agency Member Frazier, the adoption of resolution MRA-1466 was approved by the following 4/0 vote: Ayes: Agency Members Poythress, Frazier, Bomprezzi and Svanda; Noes: None; Excused Absence: Agency Member Armentrout.

8. GENERAL

8A. Update on the Courthouse Relocation Project (Agency)

Mr. Taubert presented the staff report advising that escrow is closing on all parcels but Bravo and Rangel tomorrow morning. He noted that the Bravo's have moved and the City Attorney's office and Agency staff have found a human being to talk to at Ocwen Mortgage and we have submitted a short-sale offer of \$130,000 and hope to hear from Ocwen by mid to late March. Mr. Taubert advised that discussions have taken place with AOC related to a reversionary clause on what they refer to as the parking parcel. AOC will be asking us to remove the reversionary clause, which we have not been willing to do as it means if they don't build the parking lot, the property reverts back to us. He said staff is not willing to remove that clause until such time as we are absolutely certain both projects will move forward. P. G. & E. crews have removed all services and the county has met with us regarding our side deal with them that the Agency would complete a task that had yet to be identified and was equal to the value of the county maintenance yard and the old sheriff's office. At the time of the agreement it was appraised at \$1.2 million and the property was reappraised at the time of demolition with a reduced value of \$850,000. That said we have an agreement to do something that is within the 5-Year Implementation Plan, and what county staff has talked about, but has not yet gone to their board for approval, is coordinating the acquisition for property for the district attorney and probation office. We agreed that nothing formal needs to happen until we actually see a courthouse being constructed. Mr. Taubert said AOC's intent is to go out to bid in July and award in September, but he added that he read today that the state has cancelled their spring transportation bond because the state's rating is so low. They are telling us they are going out to bid in July, but we are assuming they are using bond funds so we will see what happens.

Chairperson Poythress asked if there were further questions. There were none.

9. AGENCY MEMBER REPORTS

Council/Agency Member Svanda reported that he attended a neighborhood captain's meeting last night organized by Neighborhood Preservation staff. He said there was a presentation by a resident from Fillmore Avenue who had some great ideas for organizing block parties. He said the discussion centered on turning 14-15 houses into a family because you protect your family and look out for each other. He said it is a state of mind for bonding together for a common cause to make your city better. Member Svanda said that the participants were very eager and ready to get involved, and said that he felt these block parties are just the tip of the iceberg and congratulated Mr. Ruiz and his staff for perpetuating that idea.

No additional comments were presented.

10. ADJOURNMENT

Mayor/Chairperson Poythress adjourned the Joint Special Meeting of the Madera City Council and Regular Meeting of the Madera Redevelopment Agency at 7:16 p.m.



Sandi Brown, Agency Secretary



Mayor/Chairperson Robert Poythress

/sb