

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF TRACY
COMMUNITY DEVELOPMENT AGENCY

SPECIAL MEETING MINUTES (REVISED)

Thursday, October 4, 2012, 3:30 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. Chair Sensibaugh called the meeting to order at 3:30 p.m., and led the Pledge of Allegiance.
2. Roll call found Board Members Borwick, Khan, Miller, Thomas, and Chair Sensibaugh present.
3. The minutes of August 7, 2012, were approved as revised.
4. CONDUCT A PUBLIC COMMENT SESSION TO REVIEW THE DUE DILIGENCE REVIEW REPORT ON LOW & MODERATE INCOME HOUSING FUND ASSETS HELD BY THE HOUSING SUCCESSOR AGENCY

Zane Johnston introduced Robert Harmon, Senior Accountant, and Jenny Haruyama, Administrative Services Director.

Mr. Harmon provided a summary of the audit for the Board, explaining the process and why it was necessary.

Chair Sensibaugh asked if the initial transfer of assets to the successor agency was acceptable, or did it have to be dealt with in another way. Mr. Harmon stated that the initial asset transfer of LMIHF assets was done correctly. Mr. Harmon added that the low moderate housing fund was stagnant and that there was nothing going on during that reporting period other than loans. Mr. Harmon indicated per State guidelines, the funds were transferred from the low moderate housing fund to the Successor Agency.

Chair Sensibaugh asked what the \$18.7 million was being used for. Mr. Harmon indicated that was the total amount of loans being used which included 70 down payment assistance and/or rehabilitation loans ranging between \$3,000 and \$70,000, totaling approximately \$500,000; \$2.8 million of that amount was for a payment to the State, and the balance of \$9.0 million represented 6 loans to developers who built senior housing projects which were long term loans and no payments were expected for up to 30-50 years.

Chair Sensibaugh asked if the land that was transferred was a problem with the audit. Mr. Harmon stated the land was not dealt with in this particular report; it was specifically for housing funds.

Mr. Johnston added that the Agency was required to ascertain the assets available which was mostly cash and would be remitted to the Auditor for distribution to the taxing entities.

Mr. Thomas referred to the notes receivable asking based on staff's current understanding of the law, if the Successor Agency would remain in tact for that period of

time and would they expect to continue to receive pass through funds for that period of time. Mr. Johnston stated, yes, as the loans are repaid, those amounts would go into the redevelopment fund with the County from which they pay everything out of.

Mr. Khan referred to Attachment A and the cash balance listed on Attachment C, asking what the difference was. Mr. Harmon stated the difference was an accrual amount that the auditor wanted backed out.

Mr. Thomas referred to page 6, last item, asking if the future obligations had any bearing on pass-through payments to schools. Mr. Harmon stated yes. Mr. Johnston added that the County would be sending those pass-through payments to those agencies.

Chair Sensibaugh invited members of the audience to address the Board. There was no one wishing to address the Board on the item.

5. DISCUSS AND PROVIDE DIRECTION REGARDING THE REGULAR SCHEDULED OVERSIGHT BOARD MEETING OF NOVEMBER 6, 2012

Andrew Malik stated that the November 6, 2012, regularly scheduled Oversight Board meeting falls on the same day as the General Municipal Election and that given the importance of the election to all citizens of Tracy, staff suggests cancelling the meeting.

Since the Oversight Board will be conducting two special meetings in October, staff does not anticipate any items for consideration in the month of November.

Mr. Thomas indicated it was much easier to keep the regular meetings than trying to schedule a special meeting.

Chair Sensibaugh indicated he didn't see anything that would require a meeting in November.

It was moved by Board Member Miller and seconded by Chair Sensibaugh to cancel the November 6, 2012 meeting. Voice vote found all in favor; passed and so ordered.

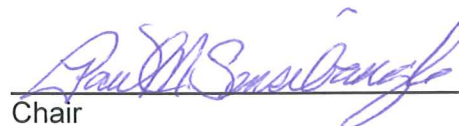
6. Items from the Audience – None.

7. Board Member Items – None.

Mr. Malik indicated that at the last City Council meeting, Mayor Ives appointed Mayor Pro Mike Maciel as the Board Member and himself as the alternate.

9. Adjournment

Chair Sensibaugh adjourned the meeting at 3:50 p.m.


Chair


Successor Agency Secretary