



AGENDA

BOARD MEMBERS

Monday, March 26, 2012

OVERSIGHT COMMITTEE OF THE FORMER CITY OF HUNTINGTON BEACH REDEVELOPMENT AGENCY

Steve Bone
Board Member

W. Andrew Dunn
Board Member

Carrie Delgado
Board Member

Kellee Fritzel
Board Member

Lucy Dunn
Board Member

Don Hansen
Board Member

Vacant
Board Member

FRED A. WILSON
City Manager

JOAN L. FLYNN
Oversight Board Secretary
(714) 536-5404

4:30 PM

Room B-8 - 2000 Main Street
Huntington Beach, CA 92648
<http://www.huntingtonbeachca.gov>

WEB ACCESS:

Meeting audio archives can be accessed at
<http://huntingtonbeach.granicus.com>

REMINDER

As a courtesy to those in attendance, please
silence your cell phones and pagers

MEETING ASSISTANCE NOTICE - AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in Oversight Committee meetings. If you require special assistance, 48-hour prior notification will enable the city to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact the Oversight Board Secretary's Office at (714) 536-5227.

OVERSIGHT COMMITTEE AGENDA

The Oversight Committee agenda and supporting documentation is made available for public review during normal business hours in the Office of the Oversight Board Secretary, 2000 Main Street immediately following distribution of the agenda packet to a majority of the Board Members. Questions on agenda items may be directed to the Oversight Board Secretary's Office at (714) 536-5227. The agenda packet is posted on the city's website at <http://www.huntingtonbeachca.gov/Government/agendas/>.

AUDIO ACCESS TO OVERSIGHT COMMITTEE MEETINGS

Oversight Committee meeting audio recordings are archived at <http://www.huntingtonbeachca.gov/Government/agendas/>.

SUPPLEMENTAL COMMUNICATION

Staff and members of the public have the opportunity to submit information related to an agenda item following distribution of the agenda packet to the Board Members. This information is identified as "Supplemental Communication" and is assembled into a packet by the Oversight Board Secretary on the day of the meeting. The Brown (Open Meetings) Act requires that copies of Supplemental Communication be made available to the public immediately upon distribution of material to a majority of the Board Members. Communication received by any individual at the meeting will be made available to the public in the Oversight Board Secretary's Office the following morning.

PUBLIC COMMENTS

This is the time of the meeting for the Board Members to receive comments from the public regarding items of interest or agenda items. Pursuant to the Brown (Open Meeting) Act, the Board Members may not enter into discussion regarding items not on the Oversight Committee agenda. The Board Members strive to treat members of the public with respect. Comments or concerns provided by the public shall be done in a civil and respectful manner.

To participate in Public Comments, **yellow Request to Speak** forms are available at the entrance table and are collected by the Oversight Board Secretary. Each speaker is allowed 3 minutes, and time may not be donated to another speaker.

HUNTINGTON BEACH OVERSIGHT BOARD
of the former
City of Huntington Redevelopment Agency

Meeting Agenda
March 26, 2012

4:30 P.M.

City Hall, 2000 Main Street, Civic Center Lower Level,
Room B-8, Huntington Beach, CA 92648



BOARD MEMBERS: City of Huntington Beach appointee **Mayor Don Hansen**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew "Andy" Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee (**vacant at this time**)

CALL TO ORDER: 4:30 P.M. by Board Secretary

ROLL CALL: Hansen, L. Dunn, Bone, A. Dunn, Delgado and Fritzal

PLEDGE OF ALLEGIANCE: Led by Huntington Beach Mayor Don Hansen

SUPPLEMENTAL COMMUNICATIONS: Announced by Board Secretary

PUBLIC COMMENTS: *Limited to 3 minutes per person*

BUSINESS:

1. Introductions and Administration of the Oath of Office

Recommended Board Action:

Self Introductions of Oversight Board Members and administration of the Oath of Office by the Board Secretary.

2. Election of Oversight Board Chairperson and Vice Chair and Administration of Oath of Office

Recommended Board Action:

Elect one member to serve as ("Board) Chair, and Vice Chair of the Oversight Board of the Huntington Beach Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2012 calendar year.

3. Designation of Contact Person for Department of Finance Inquiries

Recommended Board Action:

Designate Lori Ann Farrell, Director of Finance, as the official who shall serve as the contact person for Department of Finance inquiries regarding Oversight Board actions.

4. Approve Regular Meeting Schedule

Recommended Board Action:

Establish by minute order the regular meeting schedule for Oversight Board Meetings of the second Monday of April and the Second Monday of October of each year, at 4:30 p.m. at Huntington Beach City Hall.

5. Adoption of the Board Conflict of Interest Code

Recommended Board Action:

Adopt Resolution No. OB-2012-01 entitled: *"A Resolution of the Oversight Board to the Successor Agency to the Dissolved Huntington Beach Redevelopment Agency Adopting its Conflict of Interest Code for the Oversight Board"*

6. Adoption of Board Rules of Parliamentary Procedure

Recommended Board Action:

Adopt, by motion, Robert's Rules of Order as the Oversight Board's rules of parliamentary procedure.

7. Ralph M. Brown Act Overview

Recommended Board Action:

Receive the Oral Presentation made by City Attorney Jennifer McGrath

8. Presentation on Assembly Bill 26 Requirements

Recommended Board Action:

Receive the Oral Presentation made by Attorney Murray Kane

9. Presentation of Enforceable Obligation Payment Schedule (EOPS) and Recognized Obligation Payment Schedule (ROPS)

Recommended Board Action:

Receive the Oral Presentation of the EOPS and ROPS by Finance Director Lori Ann Farrell

ADJOURNMENT: A Special Meeting of the Oversight Board will be held on Thursday, April 5, 2012, 4:30 p.m. at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #1

OVERSIGHT BOARD
*of the Successor Agency to the dissolved
City of Huntington Beach Redevelopment Agency*



There is no staff report for this agenda item

Item #1 will consist of introductions of the Oversight Board Members, City of Huntington Beach Staff, and Presenters.

The Oversight Board Secretary and Huntington Beach City Clerk will administer the oath of office and present a certificate of appointment to all Board Members.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #2

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: March 26, 2012

SUBJECT/ACTION: ELECTION OF CHAIR AND VICE CHAIR

RECOMMENDED ACTION

Elect one member to serve as ("Board") Chair, and Vice Chair of the Oversight Board to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2012 calendar year.

BACKGROUND AND DISCUSSION

AB 1x26, the Redevelopment Dissolution Act, requires each successor agency to have an Oversight Board composed of seven members. The Oversight board must elect one of its members as Chair to preside over the Oversight board meetings. It is also recommended that a Vice Chair be elected to preside over meetings in the absence of the Chair. Staff recommends that one-year terms be adopted.

It is also recommended that the Oversight Board Officers service through calendar year 2012, recognizing that pursuant to Health and Safety Code Section 34179(g), all Oversight Board members serve at the pleasure of the entity that appointed such member.

A majority of the total membership of the Oversight Board constitutes a quorum (four members) for the transaction of business. Four (4) affirmative votes are required to approve any action taken by the Oversight Board.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #3

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: March 26, 2012

SUBJECT/ACTION: **DESIGNATION OF CONTACT PERSON FOR
DEPARTMENT OF FINANCE INQUIRES**

RECOMMENDED ACTION

Designate Lori Ann Farrell, Director of Finance, as the official who shall serve as the contact person for Department of Finance inquires regarding Oversight Board actions.

BACKGROUND AND DISCUSSION

California Health and Safety Code Section 34179 requires that all meetings of the Oversight Board be noticed and held in accordance with the Ralph M. Brown Act, and that agendas and proposed actions of the Oversight Board be posted on the Successor Agency's website for public review. Health and Safety Code Section 34179 provides that the Department of Finance (DOF) may review Oversight Board actions, and as such, all board actions are not effective for three business days, pending review by the DOF. If the DOF exercises its right to review the action, it then has ten days to approve the action or return it to the Oversight Board for reconsideration. The Oversight Board's modified action does not become effective until approved by the DOF.

Health and Safety Code Section 34179 requires the Oversight Board to formally designate an official for the purpose of communicating with the DOF regarding Oversight Board actions. Staff recommends that Lori Ann Farrell, Director of Finance for the City of Huntington Beach, be designated as the contact person for the Oversight Board. Once the Oversight Board designates an official, staff will transmit the official's contact information to the DOF.

ALTERNATIVES CONSIDERED

The Oversight Board is required to designate an official to serve as the contact person to the Department of Finance. However, the Oversight Board may choose to designate an official other than the one recommended.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #4

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: March 26, 2012

SUBJECT/ACTION: **APPROVE REGULAR MEETING SCHEDULE**

RECOMMENDED ACTION

Establish by minute order the regular meeting schedule for Oversight Board meetings on the second Monday of April, and on the second Monday of October of each year, at 4:30 p.m. at Huntington Beach City Hall.

BACKGROUND AND DISCUSSION

The Redevelopment Dissolution Act, AB 1x26, signed by the Governor in June 2011, was upheld by the California Supreme Court on December 29, 2011. The court set the date of February 1, 2012, for dissolution of all California redevelopment agencies. The City of Huntington Beach has elected to serve as the Successor Agency to the dissolved Huntington Beach Redevelopment Agency.

The Dissolution Act requires that each successor agency have an Oversight Board composed of seven members appointed by specific governmental agencies.

The Oversight board is subject to the Ralph M. Brown Act, California Public Records Act, and the Political Reform Act. For the Oversight Board to operate in accordance with the Brown Act, including public noticing requirements, it will need to establish a regular meeting schedule. Meetings are to be held with the City of Huntington Beach.

Therefore, staff is recommending that regular meetings of the Oversight Board be held on the second Monday of April, and on the second Monday of October of each year, at 4:30 p.m. The recommended meeting location is the City of Huntington Beach, City Hall, California.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #5

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: March 26, 2012

SUBJECT/ACTION: ADOPTION OF CONFLICT OF INTEREST CODE

RECOMMENDED ACTION

Adopt Resolution No. OB 2012-01 entitled: *A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED HUNTINGTON BEACH REDEVELOPMENT AGENCY ADOPTING ITS CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD.*

BACKGROUND AND DISCUSSION

The Redevelopment Dissolution Act, AB 1x26, signed by the Governor in June 2011, was upheld by the California Supreme Court on December 29, 2011. The court set the date of February 1, 2012, for dissolution of all California redevelopment agencies. The City of Huntington Beach has elected to serve as the Successor Agency to the dissolved Huntington Beach Redevelopment Agency.

The Dissolution Act requires that each successor agency have an Oversight Board composed of seven members appointed by specific governmental agencies. The Oversight board is subject to the Political Reform Act. For the Oversight board to operate in accordance with the Political Reform Act and regulation promulgated thereunder by the Fair Political Practices Commission ("FPPC"), it will need to adopt a conflict of interest code.

Staff is recommending the Oversight Board adopt Resolution No. OB 2012-01, which adopts the FPPC model conflict of interest code by reference. The model code requires inclusion of the designated positions subject to the code and a list of disclosure categories. The resolution proposed the designated position be the Oversight Board members and that reporting be in all disclosure categories that are applicable.

The resolution further identifies the County Board of Supervisors as the code reviewing body for the conflict of interest code and directs the City Clerk to submit the resolution containing the conflict of interest code to the Board of Supervisors. Form 700 statements of economic interest (Assuming, Annual and Leaving Office Statements) that are filed pursuant to the conflict of interest code are to be filed with the Clerk of the County Board of Supervisors.

RESOLUTION NO. OB 2012-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO
THE DISSOLVED CITY OF HUNTINGTON BEACH REDEVELOPMENT AGENCY
ADOPTING ITS CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD

WHEREAS, the Political Reform Act (Government Code Section 8100 et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes; and

The Oversight Board to the Successor Agency is required to adopt a conflict of interest code which has been amended by various resolutions; and

The Oversight Board is deemed a local entity for purposes of the Political Reform Act; and

The Fair Political Practices Commission has adopted a regulation [2 Cal. Code of Regs. 18730] which contains the terms of a standard conflict of interest code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act,

NOW, THEREFORE, the Oversight Board hereby resolves as follows:

SECTION 1. Regulation Section 18730. The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and attached hereto as Exhibit A.

SECTION 2. Filing of Statements. The Oversight Board members are required to file Statement of Economic Interests.

SECTION 3. The code reviewing body for this conflict of interest code shall be the Board of Supervisors of the County of Orange. This conflict of interest code shall be promptly submitted after its adoption by the City Clerk to the Clerk of the Board of Supervisors. Statements of economic interests shall be filed by Oversight Board members with the Clerk of the Board of Supervisors of the County of Orange.

SECTION 4. The Board finds and determines that the persons holding the positions set forth in Section 2 make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

SECTION 5. Disqualification. Designated officials and employees must disqualify themselves from making or participating in the making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any reportable interest of that employee. No designated employee shall be prevented from making or participating in the making of a decision to the extent his or her participating is legally required for the decision to be made.

PASSED AND ADOPTED by the Oversight Board at a regular meeting thereof held on the _____ day of _____, 2012.

City Clerk

Chair, Oversight Board

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict-of-Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict-of-interest code within the meaning of Section 87300 or the amendment of a conflict-of-interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict-of-interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict-of-interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict-of-interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict-of-interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict-of-interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict-of-interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making

of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the

previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she

vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action.

Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect,

distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any

governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹Designated employees who are required to file statements of economic interests under any other agency's conflict-of-interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

²See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In

addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).
18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
19. Editorial correction of subsection (a) (Register 98, No. 47).
20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative

5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).
28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).
29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).
30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).
31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).
-

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #6

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: March 26, 2012

SUBJECT/ACTION: **ADOPTION OF BOARD RULES OF
PARLIAMENTARY PROCEDURE**

RECOMMENDED ACTION

Adopt, by motion, Robert's Rules of Order as the Oversight Board's rules of parliamentary procedure.

BACKGROUND AND DISCUSSION

The Oversight Board to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency has been appointed pursuant to Health and Safety Code Section 34179.

In addition to the Oversight Board's required compliance with the Ralph M. Brown Act, staff is recommending the board, by minute motion, adopt Robert's Rules of Order as the governing parliamentary procedure for the Oversight Board. Although staff expects the Oversight Board to operate in a relatively informal manner, parliamentary rules are appropriate to guide the making of motions, taking votes and other Board procedures. For ease and simplicity, staff is recommending the Board refer to Robert's Rules for its parliamentary procedure.

ALTERNATIVE ACTION

The Oversight Board may desire to adopt an alternative form of parliamentary procedure.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #7

OVERSIGHT BOARD
*of the Successor Agency to the dissolved
City of Huntington Beach Redevelopment Agency*



There is no staff report for this agenda item

Item #7 will be an Oral Presentation by Jennifer McGrath, Huntington Beach City Attorney.

You will receive information on the California Ralph M. Brown Act, commonly referred to as the “Open Meetings Act” at the Oversight Board Meeting.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #8

OVERSIGHT BOARD
of the Successor Agency to the dissolved
City of Huntington Beach Redevelopment Agency



There is no staff report for this agenda item

Item #8 will be an Oral Presentation by Murray Kane, Attorney at Law.

You will receive information on Assembly Bill 26 at the Oversight Board Meeting.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #9

OVERSIGHT BOARD
*of the Successor Agency to the dissolved
City of Huntington Beach Redevelopment Agency*



There is no staff report for this agenda item

Item #9 will consist of an Oral Presentation by Lori Ann Farrell, City of Huntington Beach Finance Director.

You will receive information on the City of Huntington Beach's Enforceable Obligation Payment Schedule (EOPS) and Recognized Obligation Payment Schedule (ROPS) at the Oversight Board Meeting.