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**LANCASTER
CITY COUNCIL/FINANCING/HOUSING/POWER AUTHORITY
MINUTES
January 24, 2012**

CALL TO ORDER

Mayor/Chairman Parris called the regular meeting of the City Council/Financing/Housing/Power Authority to order at 5:02 p.m.

ROLL CALL

PRESENT: Council Members/Authority Members: Crist, Johnson, Mann, Vice Mayor/Vice Chairman Smith, Mayor/Chairman Parris

ABSENT: None

Staff

Members: City Manager/Executive Director; Deputy City Manager/Deputy Executive Director; City Attorney/Authority Counsel; Assistant to the City Manager; City Clerk/Authority Secretary; Planning Director; Public Works Director; Parks, Recreation & Arts Director; Finance Director; Economic Development Director; Housing Director; Human Resources Director

INVOCATION

Pastor Dave Prather, Central Christian

PLEDGE OF ALLEGIANCE

PRESENTATIONS

- 1) Investigator and Street Cops of the Quarter
- 2) Desert Christian Boys Cross Country Team – 2nd Place, Division 5 State Championship

APPROVAL OF COUNCIL/AUTHORITY MINUTES

M 1. MINUTES

On a motion by Vice Mayor Smith and seconded by Council Member Mann, the City Council/Authority approved the City Council/Financing/Housing/Power Authority Regular Meeting minutes of January 10, 2012, by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CITY COUNCIL CONSENT CALENDAR

On a motion by Council Member Crist and seconded by Council Member Johnson, the City Council approved the Council Consent Calendar by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CC 1. ORDINANCE WAIVER

Waived further reading of any proposed ordinances. (This permits reading the title only in lieu of reciting the entire text.)

CC 2. WARRANT REGISTER

Approved the Check and Wire Registers for December 25, 2012 through January 7, 2012 in the amount of \$4,386,106.61.

CC 3. ORDINANCE NO. 973

Adopted **Ordinance No. 973**, an ordinance of the City Council of the City of Lancaster, California, adding Chapter 15.25 to Title 15 of the Lancaster Municipal Code, adopting the use of placards to denote conditions relating to continued occupancy of buildings following an earthquake; other emergency or natural disaster.

CC 4. COMPLETED SEWER SYSTEMS

Approved the completed sewer systems installed by the developer of Director's Review No. 10-78, located at 565 West Kettering Street, Owner: Sacred Heart Church.

CC 5. RESOLUTION NO. 12-05

Adopted **Resolution No. 12-05**, authorizing the City Manager to apply for a Sustainable Communities Planning Grant and Incentive Program from the State of California, Strategic Growth Council to fund an update to the Title 16 of the Municipal Code (Subdivision Ordinance) and amendment of the General Plan 2030 to include complete street policies and related development requirements and authorizing the City Manager or his designee to execute all documents relative to the grant.

CC 6. AWARD OF INFORMAL BID NO. 1106

Awarded **Informal Bid No. 1106 – Annex Building Demolition** - REBID to Bowen Engineering & Environmental of Bakersfield, California, in the amount of \$69,380.00, plus a 10% contingency. Transferred \$25,000.00 from Building Replacement Reserve Fund Balance and appropriated to Account No. 109-11DE025-924.

PH 1. VEHICLES FOR HIRE ORDINANCE AND VEHICLES FOR HIRE PERMIT FEES RESOLUTION

Mayor Parris opened the Public Hearing. It was the consensus of the City Council to waive the presentation on this matter.

Hearing no further testimony, Mayor Parris closed the Public Hearing.

On a motion by Vice Mayor Smith and seconded by Council Member Johnson, the City Council introduced **Ordinance No. 974**, establishing Chapter 5.26 of the Lancaster Municipal Code regarding vehicles for hire, by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

On a motion by Vice Mayor Smith and seconded by Council Member Johnson, the City Council adopted **Resolution No. 12-06**, establishing vehicles for hire permit fees, by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

NB 1. FINAL ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND CREATION OF THE REDEVELOPMENT OBLIGATION RETIREMENT FUND

The Finance Director presented the staff report regarding this matter.

Addressing the City Council on this matter:

Michael Rives – opposed to this action; stated his concerns regarding the outstanding debt.

On a motion by Vice Mayor Smith and seconded by Council Member Mann, the City Council adopted **Resolution No. 12-07**, accepting the Final Enforceable Obligation Payment Schedule and creating the Redevelopment Obligation Retirement Fund, by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

NB 2. ASSIGNMENT OF HOUSING FUNCTIONS TO THE LANCASTER HOUSING AUTHORITY

The City Attorney presented the staff report regarding this matter. This resolution states that the City is declining to assume the functions of the Redevelopment Agency for housing purposes. The Council would designate the Lancaster Housing Authority to assume those responsibilities under the law. As the legislation is currently drafted all of the unencumbered fund balances under the housing fund are to be transferred to the County for redistribution among various tax entities. The Housing Authority would be taking as a matter of law, all of the assets that were acquired with housing funds.

NB 2. ASSIGNMENT OF HOUSING FUNCTIONS TO THE LANCASTER HOUSING AUTHORITY (continued)

This would include the wellness homes and other homes that have been bought over time through foreclosure actions, as well as any other properties that were purchased using housing funds. There is a fairly substantial list of assets that would be transferred to the Housing Authority. The Authority could then operate utilizing the provisions of the redevelopment law as they apply to housing functions, rather than the Housing Authority law which has a restrictive limitation on what can be done. Staff recommended this matter of responsibility be given to the Housing Authority. The City's liability is specifically limited to the property tax revenue that is received as tax increments, received as property tax revenues into a special trust fund and used to pay the enforceable obligations. AB 1X 26 is not clear about the scope of the housing responsibilities that would be imposed on the City, should the City elect to assume the Agency's housing functions and assets. For example, if a redevelopment agency had prior compliance issues and the City were required to carry out those prior housing duties, what funding source(s) would be available to the City? The City and its general fund should not be exposed to unforeseen financial and/or legal duties.

The Housing Authority consists currently of the five members of the City Council. One of the possibilities would be adopting a resolution which would stop the City Council from being the Housing Authority. That would mean appointing five commissioners to the Board to control the Housing Authority. Those appointments would be made by statute, by the Mayor with the concurrence of the balance of the City Council. There would be five commissioners and if there are tenants of the Housing Authority, it would include at least two tenant representatives on the Board. There are a number of properties that are leased and there would be a large selection of people to serve as the tenant representatives, including representatives of organizations which occupy the wellness homes. This resolution can be brought back to the next City Council meeting.

Addressing the City Council on this matter:
Michael Rives – opposed to this action.

Agency Director Harvey addressed Mr. Rives and stated that the staff and the City Council did not create this problem, the State did. The State and the County are still trying to understand how to administer this money once they are at the receiving end of it. The staff and the Council have been trying to make interpretations and quite frankly with very little guidance from those very people who are suppose to guide cities. Ms. Harvey suggested that Mr. Rives sit down with the City Manager and the Finance Director, have them explain the process, help him to understand where the City is in all of this rather than Mr. Rives giving his own interpretation of this matter because it is not that simple.

NB 2. ASSIGNMENT OF HOUSING FUNCTIONS TO THE LANCASTER HOUSING AUTHORITY (continued)

Mayor Parris stated that he was envisioning appointing Kitty Szeto and Cassandra Harvey to the Housing Authority when the next meeting convenes and he will consider any other applications that are submitted as well. The Housing Authority would also have authority over the wellness homes and the neighborhood impact homes, which are the most innovative projects the City is doing right now and having the most impact. The State has forgotten that it is here to support the cities; the cities are not here to support the State. More importantly, this City is here to support the neighborhoods and the role of the wellness homes and the impact homes is serving that goal admirably. Whoever is on the Housing Authority, and if it is the Council and they desire to stay on the Authority he will appoint them and if not, other people who are interested may be appointed. He stated that he wants these two programs expanded; wants them to grow and thrive. There is not anything the City is doing right now that will have the far reaching impact as those two programs. Eventually, other cities will adopt this model because it makes so much sense.

Council Member Johnson stated that she agrees with Mayor Parris's comments and that growing up in that neighborhood as a child, it really does give such a rewarding feeling with the wellness homes and the impact homes to see these children and show them that the City does care and wished that these programs had been available when she was growing up.

Council Member Crist stated that he was surprised to see just how many people were involved. He and Council Member Mann attended the event to put bicycles together that the Mayor had purchased and there were literally hundreds of people at the homes and it is wonderful to see the entire community coming together.

Council Member Mann stated that when talking about putting a positive impact on a neighborhood, Pastor Prather was attesting to that this evening, knowing the impact that is taking place and is definitely helping with the crime statistics throughout the neighborhoods.

Mayor Parris requested that staff develop some options in regards to how the Council could be expanded to a seven member Council and there are various ways to accomplish this, such as by districts; general election. There are models that other cities have adopted and it is important to recognize that the City staff is now seventy people less than it used to be. In order to have a city that thrives, it is important to have people in these positions that actually work. A seven member Council may be more efficient at this particular stage of the City's development.

On a motion by Council Member Mann and seconded by Council Member Crist, the City Council adopted **Resolution No. 12-08**, assigning the housing functions of the former Lancaster Redevelopment Agency to the Lancaster Housing Authority and making certain findings in connection therewith, by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

LANCASTER CITY COUNCIL/ FINANCING/HOUSING/POWER AUTHORITY
MINUTES
JANUARY 24, 2012

RECESS Mayor Parris requested a brief recess at 5:37 p.m.

RECONVENE Mayor Parris reconvened the meeting at 5:41 p.m.

URGENCY ITEM

JNB 1. APPROPRIATION AND TRANSFER OF FUNDS FROM LANCASTER FINANCING AUTHORITY TO REDEVELOPMENT AGENCY FOR ENFORCEABLE OBLIGATION PAYMENTS

The City Manager presented the background on this matter. The impacts of the Supreme Court decision upholding AB X1 26 to dissolve redevelopment agencies and striking down AB X1 27 providing for voluntary payments for redevelopment agencies continue to surface. A significant impact revolves around short term cash flow needs. As part of the decision, the Supreme Court adjusted the effective dates in AB X1 26, pushing them out four months, putting the Lancaster Redevelopment Agency (LRA) out of business effective February 1, 2012. No revenues will be distributed to the Agency between February 1 and May 16, 2012. Debt obligations continue to come due and are required to be paid. According to the legislation, debt obligations of Agency are to be paid from existing fund balance during that period. After a thorough analysis was completed by staff it was determined that without receipt of tax increment revenues, sufficient funds are not available to pay all of the debt obligations. This situation is not unique to Lancaster; many redevelopment agencies are facing the same situation.

Agency Director Harvey thanked the City Manager and staff for all the hard work they have done and at the end of the day, management and staff are making the best decisions they can for the citizens of Lancaster and she appreciates all the effort that has been put forth regarding this matter.

Mayor Parris clarified that the Redevelopment Agency has disbanded, owing the City \$50 million. He inquired as to whether the Agency owed others money as well.

The City Manager confirmed this and said the State would consider those as enforceable obligations if it is a third party. The City is not protected by the U.S. Constitution Contract Clause.

Further discussion took place regarding bond obligations; responsibility of the County/Auditor Controller's office to review all bonds, County-wide; what should be paid, tax increments, reserve requirements, only paying the bare minimum that is required by law.

Council Member/Chairman Crist clarified that this was not the responsibility of anyone sitting on the Council/Agency and this issue was caused by the State.

JNB 1. APPROPRIATION AND TRANSFER OF FUNDS FROM LANCASTER FINANCING AUTHORITY TO REDEVELOPMENT AGENCY FOR ENFORCEABLE OBLIGATION PAYMENTS (continued)

Council Member/Agency Director Mann stated that he sat in two briefings with staff regarding this matter, trying to look forward as to what the outcome might be. The State did not do any forward thinking; the legislature in Sacramento do not fully understand how redevelopment agencies work and feels this will eventually come unraveled for them. The County is going to have an administrative nightmare on their hands with this matter and he hopes they handle it well. It is clear that the Agency should not give them any more money than they have to.

On a motion by Vice Chairman Smith and seconded by Authority Member Mann, the Financing Authority approved the appropriation of \$2,270,000 from Financing Authority fund balance to Account No. 701-4999901 to approve transfers in order to provide funds to pay debt obligations as listed on the approved Enforceable Obligation Payment Schedule, by the following vote: 5-0-0-0; AYES: Crist, Johnson, Mann, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None

On a motion by Vice Chairman Smith and seconded by Agency Director Mann, the Redevelopment Agency approved the appropriation of \$2,270,000 to Account No. 901-4999978 to pay debt obligations as listed on the approved Enforceable Obligation Payment Schedule, by the following vote: 5-0-0-0; AYES: Harvey, Mann, Szeto, Smith, Crist; NOES: None; ABSTAIN: None; ABSENT: None

The City Manager stated that on behalf of the staff and the citizens of Lancaster, they appreciate working with a Council that is not afraid to make decisions for the betterment of the City; it is refreshing. It may sound gratuitous to acknowledge this Council's work, but it truly does not happen in many other cities. He would never take it for granted, the ability of staff, the citizens and the Council to work together and go through a very difficult situation that was not created by the City.

Council Member Johnson stated that she is honored to be a part of this team; this Council does not complain, they make tough decisions and continue to make this City strong.

**CA 1. CONSIDERATION OF NOMINATIONS / APPOINTMENTS /
RE-APPOINTMENTS TO THE FOLLOWING COMMISSIONS:**

- Lancaster Architectural/Design Planning Commission
- Lancaster Criminal Justice Commission
- Lancaster Neighborhood Vitalization Commission

Mayor Parris stated that he has received many applications regarding the various commissions and he will be making his nominations at the City Council meeting of February 14, 2012.

Addressing the City Council on this matter:

Michael Rives – opposed to any appointments to the Commissions; suggested appointing groups of people to discuss specific issues.

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER HOUSING AUTHORITY

No action required at this time.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

The City Manager presented a slide presentation regarding the recent trip by the Mayor and staff to Abu Dhabi, Dubai and Masdar. This was an amazing trip and it was great to make real and substantive relationships with people who have money to invest and it is in things the City is already doing in regards to renewable energy. People need to understand how important building these relationships is. The City has a downtown because of the relationships that were created years earlier by people who wanted to invest in Lancaster. The City has a business park and Lance Campers and Countrywide because of relationships and the incredible number of jobs this produced. It is critically important that when something is being done well such as in the matter of renewal energy, to create relationships with people who want to invest. If the City wants to be the solar energy capital of the world then the City must first engage the world and other people.

The Deputy City Manager stated that this trip was very eye-opening. The City is doing all this renewable energy work locally and it is important to gauge what is happening on a Statewide and Worldwide scale. He listed the many projects the City is engaged in such as eSolar; KB-BYD Home; Solar Lancaster; the school solar program; California Clean Energy Authority; transmission lines; Morgan Solar; InStream; Net Zero and Smart Zero City projects. When all of this is put on a world stage, it is amazing to see how the City is leading the effort. Especially when compared to London, which was on stage with the Mayor as well as New York and Masdar. When the City's successes and future are put against theirs, it is truly energizing to be a part of this.

CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS (continued)

Mayor Parris stated that it was interesting to be on stage with those other cities. Lancaster is considered a Tier 3 city based on its size; the other cities were Tier 1. For a Tier 3 city to be on a stage with Tier 1 cities, it just does not often happen. When the Tier 3 city has completely surpassed all of them; Lancaster is so far ahead of the rest of the world in becoming a net zero city and it truly is remarkable. The City gets 24 percent of its energy from the sun and this happened in just four short years. It would be fantastic if Southern California Edison would work with the City in this endeavor, this is all it would take for Lancaster to lead the world and Edison could be a part of this, they just need to get on the team. This is something that every country in the world wants to achieve.

CITY CLERK / AGENCY / AUTHORITY SECRETARY ANNOUNCEMENT

The City Clerk provided the public with the procedure to address the City Council/Redevelopment Agency regarding non-agendized items.

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

Addressing the City Council at this time:

Maria Paesano – stated her concerns regarding crime in her neighborhood; related a recent problem at an event held at her home; attacks on her family. Feels nothing is ever done; no enforcement is being given; no protection in her neighborhood.

Mayor Parris requested staff look into this and requested copies of the dispatch tapes regarding Ms. Paesano's case.

Michael Rives – discussed the importance of having a civilian review board in light of recent events in Lancaster.

COUNCIL / AGENCY COMMENTS

Mayor Parris addressed Mr. Rives and stated that he does not understand why every time there is a gang member killed in a criminal act that it goes from gang member to minority. The analogy is drawn that this is somehow against minorities. This is not the case; this was a case of a gang member who happened to be a minority. Make no mistake, in this City, we are at war with gang members; they do not have a place in our lives, we do not want them here. If they threaten the lives of our police officers, they have to accept the consequences of that. It is not the job of our police officers to go out there and risk their lives and not defend themselves; that will never happen in this City. He stated that he does not care who the gang member is; the fact that he is a gang member and threatened the life of a police officer is enough.

CLOSED SESSION

None

ADJOURNMENT

Mayor Parris adjourned the meeting at 6:13 p.m. and stated that the next regular meeting would take place on Tuesday, February 14, 2012.

LANCASTER CITY COUNCIL/ FINANCING/HOUSING/POWER AUTHORITY
MINUTES
JANUARY 24, 2012

PASSED, APPROVED and ADOPTED this _____day of _____, 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
CITY CLERK/
AUTHORITY SECRETARY
Lancaster, CA

R. REX PARRIS
MAYOR/CHAIRMAN
Lancaster, CA

CERTIFICATION OF MINUTES
CITY COUNCIL/FINANCING AUTHORITY

I, _____, _____ of the City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original City Council/Financing Authority minutes, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this _____ day of _____, _____.

(seal)
