

Table of Contents

Agenda	2
Warrant Nos. 1354-1361 - \$157,944.42	
Warrants	5
Resolution Retaining Bryant Jolley, CPA as the Independent Auditor to Perform Due Diligence Review for the former Kerman Redevelopment Agency consistent with provisions of AB 1484 (Redevelopment Trailer Bill)	
Resolution.	6
Resolution of the Successor Agency to the Kerman Redevelopment Agency Accepting Membership in the Fresno County Neighborhood Stabilization Joint Powers Authority (JPA) and Requesting Withdrawal from the Joint Powers Authority Upon Approval by the Fresno County Board of Supervisors	
Successor Agency NSP JPA Membership	8

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY**

**August 01, 2012– Regular Meeting
6:30 PM**

AGENDA

**Kerman City Hall
850 S. Madera Avenue
Kerman, CA 93630**

Agency Members: Gary Yep, Raj Dhaliwal, Jack Sidhu, Richard Stockwell, Doug Wilcox

City meetings are intended to be accessible to all persons. Please let us know if you require any accommodation to allow you to access and participate in this meeting. For assistance, please call (559) 846-9380 two days prior to the meeting.

Materials related to an item on this agenda that are public documents and are submitted after distribution and posting of the agenda are available for public inspection in the City Clerk's office at 850 S. Madera Avenue, Kerman, during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.

CALL TO ORDER

- A. AGENDA APPROVAL**
- B. MINUTES – No Minutes for Approval**
- C. REQUEST TO ADDRESS AGENCY**

This portion of the meeting is reserved for members of the public to address the Agency on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Redevelopment Successor Agency Oversight Board. Speakers shall be limited to three minutes. It is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Agency on items on the Agenda should notify the Chairperson when that Agenda item is called, and the Chairperson will recognize your discussion at that time. It should be noted that the Agency is prohibited by law from taking any action on matters discussed that are not on the Agenda. Speakers are asked to please use the microphone, and provide their name and address.

- D. PUBLIC HEARINGS – No Public Hearings Scheduled**
- E. ORDER OF BUSINESS**

- 1. AGENCY TREASURER’S REPORT:
Warrant Nos. 1354-1361 - \$157,944.42**
- 2. Resolution Retaining Bryant Jolley, CPA as the Independent Auditor to Perform Due Diligence Review for the former Kerman Redevelopment Agency consistent with provisions of AB 1484 (Redevelopment Trailer Bill) [TLP]**

The Legislature passed and the Governor signed Assembly Bill (AB) 1484 into law on June 27, 2012. AB 1484 makes technical and substantive amendments to the RDA Dissolution Act (ABx1 26) enacted in June 2011 and upheld as constitutional by the California Supreme Court on December 29, 2011. A full summary of the changes along with subsequent actions that will need to be taken by the Successor Agency and the Oversight Board will be presented at the August 15, 2012, meeting.

One of the requirements under AB 1484 is that the Successor Agency must hire a licensed accountant to complete a Due Diligence Review (DDR) of unobligated balances in the Low and Moderate Income Housing Fund (LMIHF) and other funds for the former

Kerman Redevelopment Agency and submit a copy of the report to the Oversight Board (OB), County Auditor Controller (CAC), State Controllers Office (SCO) and the Department of Finance (DOF) by October 1, 2012. The Oversight Board must formally approve the Due Diligence Report by October 15, 2012. The Department of Finance will complete review of DDR by November 9 and issue its final determination on transfer of unobligated funds to the County Auditor-Controller.

Staff is recommending that the Successor Agency retain the CPA firm of Bryant Jolley for preparation of the Due Diligence Review. Bryant Jolley currently serves as the auditor for the City of Kerman and they have completed audits for the former Kerman Redevelopment Agency. The firm is familiar with the City of Kerman and, as such, they would be best positioned to complete the DDR in a timely fashion for submittal the DOF by the October 1, 2012 deadline. The County Auditor-Controller has listed Bryant Jolley as the auditor to complete the DDR for the former Kerman RDA but has not formally approved the firm. The retention of Mr. Jolley's firm will be contingent upon final approval by the CAC.

The retention of Bryant Jolley, CPA will be on an hourly basis of \$175 until such time that the DOF releases procedures for the completion of the Due Diligence Report. However, Bryant Jolley does not expect the work in preparing the Due Diligence Report to exceed \$2,500. Bryant Jolley will provide a fixed cost once DOF releases established procedures. Although AB 1484 is silent on how the auditor is to be paid, staff will ask the Oversight Board to approve the cost of the auditor in the Successor Agency's Administrative Cost Allowance when they meet on August 21, 2012.

Recommendation: Successor Agency adopts Resolution retaining Bryant Jolley, CPA as the Independent Auditor to perform the Due Diligence Review for the former Kerman Redevelopment Agency contingent upon approval by the County Auditor-Controller and submit report to the California Department of Finance and other named agencies as required by AB 1484.

3. Resolution of the Successor Agency to the Kerman Redevelopment Agency Accepting Membership in the Fresno County Neighborhood Stabilization Joint Powers Authority (JPA) and Requesting Withdrawal from the Joint Powers Authority Upon Approval by the Fresno County Board of Supervisors [LP]

As discussed in enclosed staff report, the Kerman Redevelopment Agency and the County of Fresno formed the Neighborhood Stabilization Program Joint Powers Authority (NSP JPA) in 2009 for the purpose of expending \$8.0 million in federal funds awarded to the County of Fresno under the Housing Recovery Act passed in 2008. The funds were to be used to acquire, rehabilitate, and sell foreclosed homes to low and moderate income homebuyers. The participation of the Kerman Redevelopment Agency was critical since it had greater flexibility to acquire, rehabilitate, and sell properties under California Redevelopment Law.

Since the dissolution of the Kerman Redevelopment Agency on February 1, 2012, the City Council agreed to serve as Successor Agency to the former Kerman Redevelopment Agency. However, the Successor Agency did not take formal action to replace the former Kerman RDA as a member of the NSP JPA. Thus, the County Counsel has instructed the NSP JPA that it has limited authority to purchase or sell homes until such time that the

Successor Agency agrees to become a member of the NSP JPA. The NSP JPA currently has three homes that they would like to sell expeditiously before they are vandalized. The County is requesting that the Successor Agency 1) agree to become a member of the NSP JPA for a short period of time so that the NSP JPA can sell three homes that are ready to be sold, and 2) ask the Fresno County Board of Supervisors to consent to the withdrawal of the Successor Agency from the NSP JPA pursuant to the terms of the Joint Powers Agreement.

Longer term the County of Fresno is requesting that the City of Kerman replace the Successor Agency as a member of the NSP JPA. This will be brought back to the City Council for consideration at the August 15, 2012 meeting.

Recommendation: Successor Agency to the Kerman Redevelopment Agency adopts Resolution accepting membership in the Fresno County Neighborhood Stabilization Joint Powers Authority and requests withdrawal from the Joint Powers Authority upon approval by the Fresno County Board of Supervisors.

F. WRITTEN COMMUNICATIONS

No Written Communications

G. BOARD MEMBER REPORTS

J. ADJOURNMENT

Run date: 07/26/2012 @ 16:10
 Bus date: 07/26/2012

City of Kerman
 Check - Complete Detail

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	CVCB RDA	Net amount	Invoice number
1354- 1843	1	6/28/2012	3143 CITY OF KERMAN			
	1		47864 LEGAL EXPENSES		1,250.00	06302012
	1		47865 CONSULTING FEES-RON MANFREOI		6,000.00	06302012
	1		47866 WEED ABATEMENT - VACANT LOT		500.00	06302012
1354- 1843	1	6/28/2012	Logged	*** Total ***	7,750.00	
1355- 1843	2	6/28/2012	3143 CITY OF KERMAN			
	2		47867 ADMIN & OVERHEAD/VEH OPS/TECH		12,079.60	06302012
1355- 1843	2	6/28/2012	Logged	*** Total ***	12,079.60	
1356- 1843	3	6/28/2012	3143 CITY OF KERMAN			
	3		47868 REIMBURSE P/R EXP 06/29/2012		6,474.02	06292012
1356- 1843	3	6/28/2012	Logged	*** Total ***	6,474.02	
1357- 1843	4	6/28/2012	15000 OFFICE DEPOT			
	4		47869 COPY PAPER/SUPPLIES		129.96	614671694001
	4		47870 SUPPLIES		15.09	61471712001
1357- 1843	4	6/28/2012	Logged	*** Total ***	145.05	
1358- 1849	1	7/12/2012	3143 CITY OF KERMAN			
	1		47979 REIMBURSE PAYROLL 7/13/12		7,358.83	07 13 2012
1358- 1849	1	7/12/2012	Logged	*** Total ***	7,358.83	
1359- 1849	2	7/12/2012	19110 STATE CONTROLLER'S OFFICE			
	2		47978 LOAN PAYMENT REDIP		6,315.52	NO. C88-097
1359- 1849	2	7/12/2012	Logged	*** Total ***	6,315.52	
1360- 1850	1	7/12/2012	5078 FRESNO COUNTY AUDITOR CONTROLL			
	1		47980 ROPS CHARGES-1/1/12 6/30/12		110,666.11	ABX1 26 JULY
1360- 1850	1	7/12/2012	Logged	*** Total ***	110,666.11	
1361- 1856	1	7/26/2012	3143 CITY OF KERMAN			
	1		48094 REIMBURSE PAYROLL EXP 7/27/12		7,155.29	07/27/2012
1361- 1856	1	7/26/2012	Logged	*** Total ***	7,155.29	
					.00	
** Total check discount **					.00	
** Total check amount **					157,944.42	
					.00	

RESOLUTION NO. 012-

**A RESOLUTION OF THE SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY OF THE CITY OF KERMAN APPROVING
BRYANT JOLLEY, CPA, AS THE DESIGNATED AUDITOR FOR THE PREPARATION OF DUE
DILIGENCE REPORTS AND OTHER SERVICES AS MAY BE REQUIRED BY AB 1484**

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Kerman ("Agency") desires to retain a qualified auditing firm to provide auditing services related to the dissolution of the Kerman Redevelopment Agency; and

WHEREAS, the City of Kerman and the former Redevelopment Agency of the City of Kerman are and were contracted, respectively, with Bryant Jolley, CPA for auditing services; and

WHEREAS, the County of Fresno has listed Bryant Jolley, CPA as the auditor designated to provide auditing services for the Successor Agency to the Redevelopment Agency of the City of Kerman; and

WHEREAS, the California Department of Finance has not yet determined what procedures the auditors are to complete for the Due Diligence Review, but Bryant Jolley, CPA has agreed to provide such services at his standard rate of \$175 per hour; and

WHEREAS, the Successor Agency has included \$13,000 in its 2012/2013 Budget for Professional Services; and

WHEREAS, the July through December, 2012 ROPS for the Agency also includes \$7,500 for Consulting Services, which budget can be used for audits; and

WHEREAS, the July through December, 2012 ROPS for the Agency has been approved by the California Department of Finance;

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF KERMAN that the Successor Agency shall hire Bryant Jolley, CPA and licensed accountant to serve as the Auditor for the Successor Agency to the Redevelopment Agency of the City of Kerman and to perform the accounting and auditing procedures that the California Department of Finance will require as independent auditor for the Successor Agency to provide such audits, analyses, certifications or other reports as may be required by the provisions of AB 1484, subject however to confirmation that the Fresno County Auditor-Controller approves of Bryant Jolley as a

licensed accountant with experience and expertise in local government accounting, as required by Health & Safety Code
Section 34179.5

The foregoing resolution was introduced at a regular meeting of the Successor Agency to the
Redevelopment Agency of the City of Kerman held on the 1st day of August, 2012 and passed at said regular meeting
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby adopted.

ATTEST:

Gary Yep, Chair
Successor Agency

Marci Reyes, Clerk
Successor Agency



City of Kerman

"Community Comes First"

CHAIR
Gary K. Yep

VICE CHAIR
Doug Wilcox

MEMBER
Raj Dhaliwal

MEMBER
Jack Sidhu

MEMBER
Richard Stockwell

DEPARTMENT: CITY MANAGER
STAFF REPORT
SUCCESSOR AGENCY MEETING
MEETING DATE: AUGUST 1, 2012
AGENDA ITEM NO:

To: Successor Agency to the Kerman Redevelopment Agency
From: Luis Patlan, City Manager
Subject: Successor Agency Membership in the Neighborhood Stabilization Program Joint Powers Authority

RECOMMENDATION

Successor Agency to the Kerman Redevelopment Agency adopts Resolution (Attachment A) accepting membership in the Fresno County Neighborhood Stabilization Joint Powers Authority and requests withdrawal from the Joint Powers Authority upon approval by the Fresno County Board of Supervisors.

EXECUTIVE SUMMARY

The U.S. Congress enacted the Housing and Economic Recovery Act of 2008 in response to the housing crisis that ensued with the near-collapse of the financial sector in 2007. The Act provided \$4 billion in Neighborhood Stabilization Funds ("NSP Funds") for state and local governments to use to purchase and rehabilitate foreclosed homes for re-sale to low- and moderate-income homebuyers.

In 2009 the County of Fresno was awarded \$8.0 million in NSP Funds to combat residential foreclosures throughout the County. After realizing that their procedures for the acquisition and sale of property using NSP Funds would be cumbersome and time-consuming, the County approached the former Kerman Redevelopment Agency about the possibility of entering into a joint powers authority to expend the funds. Under California Redevelopment Law, redevelopment agencies had greater flexibility in purchasing, rehabilitating and selling homes to individual homeowners. Thus, the County of Fresno and the former Kerman Redevelopment Agency formed the Neighborhood Stabilization Joint Powers Authority ("NSP JPA") in 2009 for the purpose of expending NSP Funds (Attachment B).

Since its inception, the NSP JPA has operated one of the most successful NSP programs in the State. The JPA has used NSP Funds to acquire and sell 80 foreclosed homes throughout the County, including 15 homes in Kerman. The JPA retains \$1,378,000 in grant funds and anticipates generating over a million dollars in program income and intends to continue to purchase, rehabilitate, and sell foreclosed homes.

OUTSTANDING ISSUES

The Successor Agency's membership in the NSP JPA is a stop-gap measure in order for the NSP JPA to continue to purchase and sell homes in the short-term. The Oversight Board to the Successor Agency will likewise have to take action to withdraw membership from the NSP JPA and notify the Department of Finance of such action. The City of Kerman will then consider whether it wishes to step in as a member of the NSP JPA in order to continue expending NSP Funds through March 2014.

DISCUSSION

ABx1 26 dissolved the Kerman Redevelopment Agency effective February 1, 2012. Prior to the dissolution of the Kerman Redevelopment Agency, the City Council agreed to serve as Successor Agency to the dissolved Kerman RDA and take the appropriate steps to wind down the activities of the Kerman RDA. The dissolution of the Kerman Redevelopment Agency and its transformation into the Successor Agency has restricted the powers of the NSP JPA. Under ABx1 26, the Successor Agency is not authorized to enter into any contracts (i.e., purchase or sale of property). Moreover, the resolution by the City Council agreeing to serve as Successor Agency did not explicitly agree to become a member of the NSP JPA. Fresno County Counsel has indicated that the Successor Agency must agree to be a member of the JPA Agreement before the JPA can sell homes it has already purchased and rehabilitated.

The NSP JPA currently has three homes that are ready to be sold but cannot enter into contracts for the sale of the homes unless the Successor Agency adopts a resolution agreeing to become a member of the NSP JPA. Although the Successor Agency does not have authority to enter into contracts to purchase any new property, it does have the authority to dispose of property under ABx1 26. This action will allow the NSP JPA to sell the three homes quickly and avoid possible vandalism from having the homes remain vacant.

The Successor Agency will also be withdrawing from the NSP JPA since it no longer has the authority to purchase property. Since the withdrawal from the NSP JPA requires approval by the Fresno County Board of Supervisors, the withdrawal will be effective once the Board ratifies this action. The Oversight Board to the Successor Agency will also need to approve the withdrawal and notify the Department of Finance of such action. The Oversight Board is tentatively schedule to consider this item on August 21, 2012.

Long-term the County of Fresno is requesting that the City of Kerman consider stepping in as a member of the NSP JPA in order to continue to buy, rehabilitate and sell homes. Staff will bring this item for City Council consideration at the August 15th meeting.

Staff is therefore recommending that the Successor Agency: 1) agrees to become a member of the NSP JPA until the Board consents to the withdrawal, and 2) asks the Board of Supervisors to consent to the withdrawal of the Successor Agency from the NSP JPA. This will enable the NSP JPA to expedite the sale of the three homes it currently owns while the City of Kerman considers becoming a member of the NSP JPA, subject to the consent of the Board of Supervisors.

FISCAL IMPACT

There is no fiscal impact associated with this item. The Successor Agency, as a member of the NSP JPA, will not receive any NSP Funds from the NSP JPA, and all funds generated by the activities of the NSP JPA must be spent to purchase and rehabilitate foreclosed properties as required by the Neighborhood Stabilization Program. However, approving this action will allow the NSP JPA to sell the homes that it has purchased and rehabilitated. If the Board of Supervisors approves the Successor Agency's withdrawal from the NSP JPA and its replacement by the City of Kerman, the NSP JPA will again be able to purchase homes, enter into contracts, and operate successfully in Kerman and other cities as it has done in the past.

PUBLIC HEARING

No public hearing, only posted agenda.

REASON FOR RECOMMENDATION

The NSP JPA currently has three homes that are ready to be sold but is unable to sell them due to the dissolution of the former Kerman RDA. The NSP JPA is asking the Successor Agency to accept membership in the NSP JPA so that the homes can be sold in an expeditious manner.

Attachments:

- A. Resolution
- B. Copy of NSP JPA Agreement

Attachment A

RESOLUTION NO. _____

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE KERMAN REDEVELOPMENT AGENCY
ACCEPTING MEMBERSHIP IN THE FRESNO COUNTY NEIGHBORHOOD STABILIZATION JOINT
POWERS AUTHORITY AND REQUESTING WITHDRAWAL FROM THE JOINT POWERS AUTHORITY
UPON APPROVAL BY THE FRESNO COUNTY BOARD OF SUPERVISORS**

WHEREAS, the former Kerman Redevelopment Agency (the "Dissolved Agency") was a member of the Fresno County Neighborhood Stabilization Joint Powers Authority (the "JPA"); and

WHEREAS, pursuant to Assembly Bill 1X26, the former Kerman Redevelopment Agency was dissolved on February 1, 2012; and

WHEREAS, by Resolution No. 12-04, the City of Kerman declared its intent to serve as the Successor Agency for the Dissolved Agency; and

WHEREAS, pursuant to Health & Safety Code Section 34178(b)(3), the Successor Agency may elect to be bound by the Joint Exercise of Powers Agreement (the "JPA Agreement") establishing the JPA; and

WHEREAS, the Successor Agency's powers have been limited by Assembly Bill 1X26 and by Assembly Bill 1484, and it would be in the best long-term interests of the JPA if the Successor Agency were to withdraw as a member from the JPA when that withdrawal may be accomplished; and

WHEREAS, pursuant to Section 6.4 of the JPA Agreement, the Successor Agency cannot withdraw from the JPA without the consent of the Fresno County Board of Supervisors.

NOW, THEREFORE, based on the foregoing recitals, be it resolved by the Kerman City Council, as the governing body for the Successor Agency, that:

1. Pursuant to Health & Safety Code Section 34178(e), the Successor Agency hereby elects to be bound by the JPA Agreement and to remain as a member of the JPA until the Fresno County Board of Supervisors consents to its withdrawal from the JPA; and
2. The Successor Agency hereby requests that the Fresno County Board of Supervisors consent to its withdrawal from the JPA; and

BE IT FURTHER RESOLVED, that this Resolution shall take immediate effect upon its adoption.

The above and foregoing resolution was duly introduced, passed, and adopted at a meeting of the City Council of the City of Kerman, acting in its capacity as Successor Agency to the Dissolved Agency, at a regular meeting of the City Council held on the 1st day of August, 2012, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Gary Yep, Chair
Successor Agency
Kerman Redevelopment Agency

ATTEST:

Marci Reyes, Clerk
Successor Agency
Kerman Redevelopment Agency

1 administration of the Affordability Program.

2 C. The County received approval from HUD of its Substantial Amendment.
3 Since it received that approval, the County and the Agency have agreed to cooperate
4 in addressing the foreclosure crisis throughout the County by implementing the
5 Program. In order to formalize such cooperation, the County and Agency desire to
6 create a joint powers entity to implement the Program on behalf of the County. HUD
7 has approved the County's use of the JPA for the Program and has stated that no
8 modifications are needed to the Substantial Amendment in order to implement the
9 Program with the JPA.

10 D. Articles 1 through 4 of Chapter 5 of Title 1 of the Government Code
11 (Government Code Sections 6500 *et seq.*) and Government Code Section 11256
12 (collectively the "JPA Law") authorize the County and Agency to create a joint exercise
13 of powers entity to jointly exercise any powers common to the County and Agency
14 within the County, and to exercise the powers granted under the JPA Law.

15 E. The parties are empowered by law to undertake certain project and
16 programs and possess the power and authorization to acquire, rehabilitate and dispose
17 of property for affordable housing purposes, to incur debts and other obligations, and
18 to protect public health, safety and welfare.

19 F. The parties desire to enter into this Agreement and create the Fresno
20 County Neighborhood Stabilization Joint Powers Authority (the "Authority") as a means
21 of accomplishing the cooperation and coordination among them necessary to
22 implement the Program.

23 ARTICLE I.

24 DEFINITIONS AND EXHIBITS

25 Section 1.1 Definitions For the purpose of this Agreement, the meaning of the
26 capitalized terms used in the Agreement shall be the following:

27 a. "Agency" means Kerman Redevelopment Agency, a public agency
28 corporate and politic.

- 1 b. "Agreement" means this Joint Exercise of Powers Agreement.
- 2 c. "Authority" means the Fresno County Neighborhood Stabilization
3 Joint Powers Authority created under this Agreement.
- 4 d. "Board" means the governing body of the Authority.
- 5 e. "Budget" means the approved budget applicable to the expenses
6 of the Authority.
- 7 f. "County" means the County of Fresno, a subdivision of the State
8 of California.
- 9 g. "Directors" means the members of the governing Board of the
10 Authority.
- 11 h. "Fiscal Year" means the period from July 1 in any calendar year, to
12 and including June 30 in the succeeding calendar year.
- 13 i. "HUD" means the United States Department of Housing and
14 Urban Development.
- 15 j. "Initial Members" means the County and the Agency.
- 16 k. "JPA Law" means Articles 1 through 4 (commencing with Section
17 6500) of Chapter 5, Division 7, Title 1, of the California Government Code and
18 Government Code Section 11256, as such may be amended.
- 19 l. "Member" means an entity that is a party to this Agreement and a
20 member of the Authority.
- 21 m. "NSP" means the Neighborhood Stabilization Program created
22 pursuant to Title III Division B of the federal Housing and Economic Recovery Act of
23 2008, as it may be amended from time to time. NSP shall also include any HUD
24 regulations or notices implementing NSP.
- 25 n. "Program" has the meaning set forth in Recital B.

26 ARTICLE 2.

27 PURPOSE AND POWERS

28 Section 2.1 Purpose of the Authority The purpose of the Authority is to

1 implement the Program. The Authority shall achieve that purpose by using NSP funds
2 provided by HUD through the County to acquire, rehabilitate and sell abandoned and
3 foreclosed upon homes in accordance with NSP requirements.

4 Section 2.2 Purpose of the Agreement Each of the parties has in common
5 the authority to acquire, rehabilitate and dispose of property for affordable housing
6 purposes, to incur debts and other obligations, and to protect public health, safety and
7 welfare. The purpose of this Agreement is to jointly exercise the foregoing common
8 powers in the manner set forth in this Agreement in order to implement the Program.

9 Section 2.3 Authority Created There is hereby created a public entity known as
10 the "Fresno County Neighborhood Stabilization Joint Powers Authority". The Authority
11 is formed pursuant to the JPA Law and shall be a public entity separate from any
12 member. The Authority shall administer this Agreement and its activities in accordance
13 with all applicable laws.

14 Section 2.4 Effective Date The effective date of this Agreement and the date
15 on which the Authority shall be deemed formed and existing shall be the first date on
16 which the County and the Agency have all executed this Agreement.

17 Section 2.5 Boundaries of the Authority The geographic boundaries of the
18 Authority shall be coextensive with the County.

19 Section 2.6 Powers The Authority shall have the power in its own name to do
20 any of the following:

21 a. To exercise the powers conferred upon it by the JPA Law
22 and this Agreement necessary to the accomplishment of the purposes of this
23 Agreement.

24 b. To make and enter into contracts necessary to the full
25 exercise of its powers.

26 c. To contract for the services of engineers, attorneys,
27 architects, planners, construction contractors, program administrators, and financial
28 consultants, and such other persons as it deems necessary to implement the Program.

- 1 d. To employ such persons as it deems necessary to
2 implement the Program.
- 3 e. To acquire, rehabilitate and dispose of foreclosed and
4 abandoned homes in accordance with NSP requirements.
- 5 f. To enter into a subrecipient agreement with the County to
6 implement the Program in accordance with NSP requirements;
- 7 g. To incur debts, liabilities and/or obligations subject to
8 limitations herein set forth; provided, however, that any debts, liabilities and obligations
9 of the Authority shall not constitute any debt, liability or obligation of any of the
10 Members.
- 11 h. To sue and be sued in its own name.
- 12 i. To apply for, accept and receive state, federal or local
13 licenses, permits, grants, loans or other aid from the County, other public entities within
14 the County, any agency of the United States of America, or of the State of California
15 necessary for the Authority's full exercise of its powers.
- 16 j. To perform all acts necessary or proper to carry out fully the
17 purpose of this Agreement and not inconsistent with the JPA Law.
- 18 k. To invest any money pursuant to Sections 6509.5 and
19 6505.5 of the JPA Law which is not required for the immediate necessities of the
20 Authority, as the Authority determines is advisable, in the same manner and upon the
21 same conditions as local agencies, pursuant to Section 53601 of the Government
22 Code of the State of California.
- 23 l. To accept security, collateral or other property interests to
24 secure payment of loans or other obligations to the Authority.
- 25 m. To carry out and enforce all the provisions of this
26 Agreement.
- 27 n. To finance or refinance indebtedness incurred by the
28 Authority or third parties in connection with any of the purposes hereof.

1 o. To disburse funds received by the Authority, including NSP
2 funds, as necessary to implement the Program.

3 p. To the extent not herein specifically provided for, to
4 exercise any powers in the manner and according to methods provided under the laws
5 applicable to the Agency.

6 Section 2.7 Additional Powers to be Exercised In addition to those powers
7 common to each of the parties, the Authority shall have those powers conferred upon it
8 by the JPA Law.

9 Section 2.8 Restrictions on Exercise of Powers The Act and the powers of the
10 Authority shall be exercised in the manner provided in the JPA Law, and, except for
11 those powers set forth in Article 4 of the JPA Law, shall be subject (in accordance with
12 Section 6509 of the JPA Law) to the restrictions upon the manner of exercising such
13 powers that are imposed upon the Agency in the exercise of similar powers. The JPA
14 also agrees that it shall cooperate with the County so that the JPA and the County may
15 administer the Program and Affordability Program, respectively, in accordance with
16 NSP requirements.

17 Section 2.9 Obligations of Authority The debts, liabilities and obligations of the
18 Authority shall not be the debts, liabilities and obligations of the parties to this
19 Agreement. The parties to this Agreement shall not be liable for the debts, liabilities or
20 obligations of the Authority. Costs and expenses incurred by the Authority in
21 connection with the Program shall be deemed to be administrative, activity delivery
22 costs, or such other costs as may be eligible NSP expenses provided by the County to
23 the extent not inconsistent with the terms of NSP.

24 Section 2.10 Non-Liability for Obligations of Authority No party, officer, agent or
25 employee of the Authority shall be individually or personally liable for the payment of
26 the principal or of premium or interest on any obligations of the Authority or be subject
27 to any personal liability or accountability by reason of any obligations of the Authority;
28 but nothing herein contained shall relieve any such party, officer, agent or employee

1 from the performance of any official duty provided by law or by the instruments
2 authorizing the issuance of any obligations of the Authority.

3 Section 2.11 Authority Property All property acquired or rehabilitated by the
4 Authority may be held in the name of the Authority for the benefit of the Authority in
5 accordance with the terms of this Agreement unless conveyed to and accepted by the
6 County, Agency, other public entity, or as contemplated by the Program.

7 ARTICLE 3.

8 ORGANIZATION

9 Section 3.1 Membership The Members of the Authority shall be the County
10 and the Agency (the "Initial Members"). The Initial Members may agree to have
11 additional members, in which case the Initial Members and the additional members
12 shall execute an amendment or supplement to this Agreement providing and setting
13 forth the terms of the additional membership.

14 Section 3.2 Governing Body of the Authority

15 a. The business of the Authority shall be conducted by a
16 Board of Directors consisting of three (3) persons. All voting power of the Authority
17 shall reside in the Board of Directors.

18 b. The Agency shall appoint one (1) Director to the Board of
19 Directors and the County shall appoint two (2) Directors to the Board of Directors.
20 Initially, those Directors shall be, for the County, County staff members appointed by
21 the Board of Supervisors; and for the Agency, an Agency staff person appointed by the
22 governing board of the Agency. If authorized by the County Board of Supervisors,
23 each County staff member appointed to the Board of Directors may designate a
24 substitute representative to serve as a Director on the Board of Directors. If authorized
25 by the Agency Board of Directors, the Agency staff person appointed to the Board of
26 Directors may appoint a substitute representative to serve as a Director on the Board
27 of Directors. Any such substitutes shall be an employee of the County in the case of
28 the County representative or an employee of the Agency in the case of the Agency

1 representative.

2 c. Members of the Board of Directors shall not receive any
3 compensation for serving as such but a Director may be reimbursed for expenses
4 incurred by such Director in the conduct of the Authority's business subject to any
5 applicable policy of the Authority.

6 Section 3.3 Principal Office The principal office of the Authority shall be
7 established by the Board. The Board is hereby granted full power and authority to
8 change said principal office from one location to another. Any change shall be noted
9 by the secretary under this section, but shall not be considered an amendment to this
10 Agreement.

11 Section 3.4 Meetings The Board shall meet at the Authority's principal office
12 or at such other place as may be designated by the Board. The time and place of
13 regular meetings of the Board shall be determined by resolution adopted by the Board;
14 a copy of such resolution shall be furnished to each party hereto. Regular, adjourned
15 and special meetings shall be called, noticed, held, and conducted in the manner as
16 provided in the Ralph M. Brown Act (Chapter 9, Division 2, Title 5, of the Government
17 Code of the State of California (commencing at Section 54950)) or any successor
18 legislation hereinafter enacted. The Board shall appoint a secretary who may be one
19 of the Directors or an employee of one of the Initial Members.

20 Section 3.5 Quorum A simple majority of the Directors shall constitute a
21 quorum for the purpose of transacting the Agency's general business. Except as
22 otherwise provided by law, the vote of a majority of Directors shall be required for the
23 Authority to take action. Each Director shall have one vote.

24 Section 3.6 Powers and Limitations All the power and authority of the
25 Authority shall be exercised by the Board, subject, however, to the provisions of this
26 Agreement, the JPA Law, and the rights reserved by the parties as herein set forth.

27 ///

28 ///

1 Section 3.7 Minutes The secretary of the Authority shall cause to be kept
2 minutes of regular, adjourned and special meetings of the Board, and shall cause a
3 copy of the minutes to be forwarded to each Director and to each of the parties hereto.

4 Section 3.8 Bylaws; Rules The Board may adopt from time to time such
5 bylaws and rules and regulations for the conduct of its affairs as may be necessary or
6 advisable for the purposes of this Agreement.

7 Section 3.9 Vote or Assent of Parties The vote, assent, or approval of the
8 parties in any matter requiring such vote, assent or approval hereunder, shall be
9 evidenced by a certified copy of the resolution of the governing board of such party
10 filed with the Authority.

11 Section 3.10 Officers The chair shall be rotated from time to time among the
12 Directors in accordance with procedures established by the Board. The Board shall
13 have the power to appoint such additional officers as it deems necessary and
14 appropriate.

15 Section 3.11 Treasurer and Auditor

16 a. The Auditor-Controller/Treasure-Tax Collector of the County
17 shall be the Treasurer of the Authority. The Treasurer shall be the depositary, shall
18 have the custody of all the money of the Authority from whatever source, and shall
19 have the duties and obligations of the Treasurer as set forth in Sections 6505 and
20 6505.5 of the Act. The Treasurer shall be responsible for receiving quarterly reports
21 and verifying the balance of this report with respect to the balance as maintained by
22 the records of the Auditor.

23 b. The Auditor-Controller/Treasurer-Tax Collector of the
24 County shall be the Auditor of the Authority. The Auditor shall have the duties and
25 obligations of the Auditor as set forth in Section 6505 and 6505.5 of the Act. The
26 Auditor shall assure strict accountability of all receipts and disbursements of the
27 Authority and shall make arrangements with a certified public accountant or firm of
28 certified public accountants for the annual or biennial, at JPA Board's discretion, audit

1 of accounts and records of the Authority.

2 c. The Treasurer and Auditor of the Authority are designated
3 as the public officers or persons who have charge of, handle, or have access to any
4 property or funds of the Authority, and each such officer shall be bonded as required
5 by Government Code Section 6505.1, and the amount of their bond shall be fixed by
6 resolution. From time to time the Board may designate other persons in addition to the
7 Treasurer and Auditor who have charge of, handle, or have access to any property or
8 funds of the Authority.

9 d. The Auditor and Treasurer of the Authority shall be
10 compensated for their work for the Authority in accordance with JPA Law.

11 Section 3.12 Authority Staff The Authority shall initially have an Executive
12 Director who initially shall be the Community Development Manager of the County.
13 The Executive Director shall serve at the pleasure of the Board of Directors, and shall
14 be responsible to the Board for the proper and efficient administration of the Authority
15 as is or hereafter may be placed in their charge, or under their jurisdiction or control
16 pursuant to the provisions of this Agreement, or of any ordinance, resolution or order of
17 the Board. In addition to other powers and duties herein provided, the Executive
18 Directors shall have the power:

19 a. Under policy direction of the Board, to plan, organize and
20 direct all Authority activities.

21 b. To appoint and to remove all Authority employees, if any, all
22 of who shall serve at the pleasure of the Executive Director, except as is otherwise
23 provided by law or the provisions of this Agreement.

24 c. To authorize expenditures within the designations and
25 limitations of the approved Budget.

26 d. To make recommendations to and requests of the Board
27 concerning all of the matters and things which are to be performed, done or carried out
28 by said Board.

1 e. To call special meetings of the Board.

2 Section 3.13 Liability of Board The Authority shall defend, indemnify and hold
3 harmless any Member, Director, officer or employee for their actions taken within the
4 scope of the authority of the Authority. Except as otherwise provided in this Agreement
5 or as required by law or NSP, the funds of the Authority shall be used to defend,
6 indemnify and hold harmless the Authority and any Member, Director, officer or
7 employee for their actions taken within the scope of the authority of the Authority.
8 Nothing herein shall limit the right of the Authority to purchase insurance to provide
9 such coverage as is set forth below. The Authority's duty to indemnify each Member
10 (and its Directors, officers, employees and agents) shall survive the Member's
11 withdrawal from the Authority.

12 Section 3.14 Privileges and Immunities Pursuant to Government Code Section
13 6513, all of the privileges and immunities from liability, exemptions from laws,
14 ordinances and rules, all pension, relief, disability, worker's compensation and other
15 benefits which apply to the activity of officers, agents, or employees of any of the
16 parties when performing their respective functions shall apply to them to the same
17 degree and extent while engaged in the performance of any of the functions and other
18 duties under this Agreement. None of the officers, agents, or employees appointed by
19 the Board shall be deemed by reason of their employment by the Board to be
20 employed by any of the parties or by reason of their employment by the Board to be
21 subject to any of the requirements of such parties.

22 ARTICLE 4.

23 FINANCING

24 Section 4.1 Budget Within ninety (90) days after the first meeting of the Board,
25 and thereafter prior to the commencement of each Fiscal Year, the Board shall adopt a
26 Budget for the Authority for the ensuing Fiscal Year. The Agency must provide written
27 consent, before any contributions may be required under this Agreement from the
28 Agency (as part of the Budget or otherwise).

1 Section 4.2 Contributions for Operating Expenses

2 a. Contributions or advances of public funds and of personnel,
3 equipment or property may be made to the Authority by the County and the Agency for
4 any of the purposes of this Agreement. Payment of public funds may be made to
5 defray the cost of any such contribution. Any such advance shall be made subject to
6 repayment, and shall be repaid in the manner agreed upon by the County or the
7 Agency, as the case may be, and the Authority at the time of making such advance. It
8 is mutually understood and agreed that, except as specifically provided in this
9 Agreement, neither the County nor the Agency has any obligation to make advances or
10 contributions to the Authority to provide for the costs and expenses of administration of
11 the Authority, even though either of them may do so. The County or the Agency may
12 allow the use of personnel, equipment or property in lieu of other contributions or
13 advances to the Authority.

14 b. It is understood that the Board may arrange for the payment
15 of the expenses of the Authority through some other source, including but not limited to
16 state or federal grants or loans.

17 c. In accordance with Government Code Section 6512.1,
18 repayment or return to the parties of all or part of any contributions made by the parties
19 may be directed by the Board at such time, and upon such terms as may be consistent
20 with the JPA Law. The Authority shall hold title to all funds, property and facilities
21 acquired by it during the term of this Agreement.

22 Section 4.3 State and Federal Grants and Loans It is understood and
23 acknowledged that some activities or property may qualify for the NSP funds
24 distributed by the County and/or grant or loan funding from other public entities located
25 within the County, the State of California or the federal government. The Board shall
26 have the power, in its discretion, to contract for such funding of eligible activities or
27 property. Funds received by the Authority from such sources may be used to pay for,
28 reimburse or otherwise finance such eligible activities or property.

1 Section 4.4 Reimbursement of Funds Funds received by the Authority from
2 any federal, state or local agency to pay for budgeted expenditures for which the
3 Authority has received all or a portion of said funds from its parties shall be
4 proportionately paid to said parties to reimburse the parties for the funds advanced to
5 the Authority for the activities or property for which such funds have been received.

6 ARTICLE 5.

7 ACCOUNTING AND AUDITS

8 Section 5.1 Accounts and Reports The Auditor shall establish and maintain
9 such funds and accounts as may be required by good accounting practice or as
10 required by NSP, JPA Law or other applicable laws. The books and records of the
11 Authority in the hands of the Treasurer shall be open to inspection at all reasonable
12 times by representatives of the Members. The Treasurer, within one hundred twenty
13 (120) days after the close of each Fiscal Year, shall give a complete written report of all
14 financial activities for such Fiscal Year to the Members.

15 The Treasurer of the Authority shall receive, have the custody of, and disburse
16 Authority funds on warrants drawn by the Auditor as nearly as possible in accordance
17 with generally accepted accounting practices, shall make the disbursements required
18 by this Agreement, and shall take such other actions as are necessary to implement or
19 to carry out any of the provisions or purposes of this Agreement.

20 Section 5.2 Audit The records and the accounts of the Authority shall be
21 audited annually or biennial at the discretion of the JPA Board by a certified public
22 accountant designated by the Auditor, and copies of such audit reports shall be filed as
23 public records with the county auditor of the County of Fresno and with each party
24 within six (6) months of the end of the Fiscal Year under examination, and shall be sent
25 to any public agency or person in California that submits a written request to the
26 Authority.

27 ///

28 ///

1 ARTICLE 6.

2 RESCISSION, TERMINATION, WITHDRAWAL, ASSIGNMENT

3 Section 6.1 Term The Authority shall continue to exercise the powers
4 conferred upon it by this Agreement until this Agreement is rescinded or terminated as
5 herein provided. If not earlier terminated or rescinded the term of this Agreement shall
6 terminate at such time as the Authority determines that all NSP funds are expended
7 and the Program is completed.

8 Section 6.2 Rescission or Termination This Agreement may be rescinded and
9 the Authority terminated by unanimous written consent of the Board; provided that no
10 such termination or rescission shall occur so long as the Authority has any outstanding
11 obligations including, but not limited to, outstanding Program and related NSP
12 obligations.

13 Section 6.3 Disposition of Property Upon Termination Pursuant to
14 Government Code Section 6512, upon termination of this Agreement, any surplus
15 funds on hand shall be returned to each Member in proportion to any contributions
16 made by such Member. If no such contributions were made, any surplus money shall
17 be divided between the County and the Agency in a manner to be determined by the
18 Members. The Board shall first offer any property, rights and interests of the Authority
19 for sale to the Members for good and adequate consideration. If no such sale is
20 consummated, the Board shall consider offering such property, rights and interests of
21 the Authority for sale to any governmental agency, or other entity for good and
22 adequate consideration. The net proceeds from any sale shall be treated as surplus
23 money. If no such sale is consummated, then the property, rights and interests of the
24 Authority shall be allocated to the parties in the same manner as the allocation of the
25 net proceeds from a sale, unless otherwise agreed to by all of the parties.

26 Section 6.4 Withdrawal No party may withdraw from the Authority without the
27 unanimous written consent of the other parties; provided however that the County shall
28 consent to the withdrawal of the Agency if another redevelopment agency in the

1 County, that is reasonably acceptable to the County agrees to become a member of
2 the Authority and to assume the roles and responsibilities of the Agency.

3 ARTICLE 7.

4 GENERAL PROVISIONS

5 Section 7.1 Amendments This Agreement may be amended only by the vote
6 of all Members. To be effective, all amendments and modifications must be in writing
7 and signed by all Members.

8 Section 7.2 Assignment The rights and duties of the parties may not be
9 assigned or delegated without the written consent of all other parties. Any attempt to
10 assign or delegate such rights or duties in contravention of this Agreement shall be null
11 and void. Any approved assignment or delegation shall be consistent with the terms of
12 any contracts, resolutions, indemnities and other obligations of the Authority then in
13 effect.

14 Section 7.3 Breach If a party breaches any covenant contained in this
15 Agreement, such default shall not excuse any other party from fulfilling its obligations
16 under this Agreement and all parties shall continue to be liable for the payment of
17 contributions and the performance of all conditions herein contained. The parties
18 hereby declare that this Agreement is entered into for the benefit of the Authority
19 created hereby and the parties hereby grant to the Authority the right to enforce by
20 whatever lawful means the Authority deems appropriate all of the obligations of each of
21 the parties hereunder. Each and all of the remedies given to the Authority hereunder
22 or by any law now or hereafter enacted are cumulative and the exercise of one right or
23 remedy shall not impair the right of the Agency to any or all other remedies.

24 Section 7.4 Notice Any notice or instrument required to be given shall be
25 delivered by depositing the same in any United States Post Office, registered or
26 certified, postage prepaid, by hand delivery or by overnight delivery service and shall
27 be addressed to the addressee of the parties as follows:

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

County: County of Fresno
Community Development Division
Department of Public Works and Planning
County of Fresno
2220 Tulare Street, 8th Floor
Fresno, CA 93721
Attn: Community Development Manager

Agency: Kerman Redevelopment Agency
Kerman City Hall
850 S. Madera Ave.
Kerman, CA 93630
Attn: Executive Director

Such notice shall be effective upon receipt or refusal to accept receipt.

Section 7.5 Severability Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 7.6 Successors This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto, respectively.

Section 7.7 Liability of Authority, Members, Officers and Employees The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Members or any of their respective officers, directors, employees or agents. No Member or its directors, officers, employees or agents shall be responsible for any action taken or omitted by any other Member or its directors, officers, employees or agents.

Section 7.8 Conflicts of Interest Code To the extent required pursuant to Government Code Section 87300 or other provision of law, the Authority by resolution shall adopt a conflicts of interest code as required by law.

///
///

1 IN WITNESS WHEREOF, the parties have executed this Agreement on the
2 date set forth above.

3 REVIEWED AND RECOMMENDED
4 FOR APPROVAL

COUNTY OF FRESNO

5 By: Alan Weaver, Jr
6 Alan Weaver, Director
7 Department of Public Works
and Planning

Susan B. Anderson
Susan B. Anderson, Chairman 4/28/09
Board of Supervisors

8 APPROVED AS TO ACCOUNTING
9 FORM

ATTEST: Bernice E. Seidel, Clerk
Board of Supervisors

10 By: Vicki Crow
11 Vicki Crow, C.P.A.
12 Auditor-Controller/Treasurer-Tax
Collector

By: Kelley McCray
Deputy

13 APPROVED AS TO LEGAL FORM:
14 KEVIN B. BRIGGS
15 INTERIM COUNTY COUNSEL

KERMAN REDEVELOPMENT
AGENCY

16 By: Susan Coberly
17 Deputy

Ron Manfredi

18
19 FUND NO: 0001
20 SUBCLASS NO: 10000
21 ORG NO: 7208
22 ACCOUNT NO: 7400
ACTIVITY CODE 7803

REMIT TO:

Kerman Redevelopment Agency
Attention: Ron Manfredi
850 South Madera Avenue
Kerman, CA 93630
Telephone: (559) 846-9384

23
24 AW:YQ:ae
25 G:\7205ComDev\--Agendas-Agreements\NSP JPA Formation -2- 09 Formation Agreement.doc
26 April 9, 2009
27
28