

**OVERSIGHT BOARD FOR CITY OF SAN DIEGO  
REDEVELOPMENT SUCCESSOR AGENCY  
AGENDA FOR (Revised 5/7/12)  
OVERSIGHT BOARD MEETING  
FRIDAY, MAY 11, 2012, AT 9:00 A.M.  
Committee Room, 12<sup>th</sup> Floor  
202 C Street, San Diego, CA 92101**

**Board Members**

Supervisor Ron Roberts, County of San Diego appointee  
Peter Q. Davis, County of San Diego appointee  
Mark Nelson, City of San Diego appointee  
Michael Zucchet, City of San Diego appointee  
Maureen Stapleton, Special District appointee  
Dr. Bonnie Ann Dowd, California Community Colleges appointee  
Andra Donovan, Esq., County Board of Education appointee

**Adoption Agenda, Consent Items**

Any Consent items listed below are considered to be routine. These items are indicated on the docket by a preceding asterisk (\*). Because these items may be handled quickly, if you wish to be heard, submit your Request to Speak form prior to the start of the meeting.

**Non-Agenda Public Comment:** This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board. (Comments relating to items on today's docket are to be taken at the time the item is heard.)

Time allotted to each speaker is determined by the Chair, however, comments are limited to no more than three (3) minutes **total per subject** regardless of the number of those wishing to speak. Submit requests to speak to the City Clerk **prior** to the start of the meeting. Pursuant to the Brown Act, no discussion or action, other than a referral, shall be taken by Board on any issue brought forth under "Non-Agenda Public Comment."

**To Address Oversight Board on an Agenda Item:** Speaker forms are available in the Council Chambers prior to each meeting. Fill out a speaker slip "In Favor" or "In Opposition" to the Recommendation listed first on the Docket for the subject item, and submit the form to the City Clerk. Speakers will be called by name to address the Oversight Board when the item is heard. Time allotted to each speaker is determined by the Chair and, in general, is limited to three (3) minutes; moreover, collective testimony by those who support or oppose an item shall be limited to no more than fifteen (15) minutes to per side.

The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Chair or Board Members.

Members of the public wishing to address the Board must submit a "Request to Speak" form to the City Clerk **prior** to the agenda item being called. Please note that "Request to

Speak” forms will **not** be accepted once the item is called. Speaker slips on any item should be submitted at the **beginning** of each Board meeting.

**Assistance for the Disabled:** Agendas, reports and records are available in alternative formats upon request. To order information or request an agenda in an alternative format, or to request a sign language or oral interpreter for the meeting, please call the City Clerk’s Office at least five working days prior to the meeting at 533-4000 (voice) or 236-7012 (TT) to ensure availability. Assistive Listening Devices (ALDs) are available from the City Clerk’s Office prior to the meeting, and are to be returned at the end of the meeting. A closed caption monitor is available, upon request.

**Internet Access to agendas and reports is available at:**

<http://www.sandiego.gov/redevelopment-agency/index.shtml>

### **Order of Business**

#### **CALL THE MEETING TO ORDER**

#### **CHAIR, BOARD, OVERSIGHT BOARD CONTACT COMMENT**

#### **APPROVAL OF COMMITTEE MINUTES**

The Committee Minutes for April 25, 2012 will be approved by Unanimous Consent unless pulled for discussion.

#### **NON-AGENDA PUBLIC COMMENT**

#### **ADOPTION AGENDA, CONSENT ITEMS**

ITEM 1 – Report from the Chair regarding Report from the Chair regarding CONSIDERATION OF LEGAL COUNSEL AND ADOPTION OF A RESOLUTION DESIGNATING AN AD HOC SELECTION COMMITTEE AND ESTABLISHING A PROCESS, FOR THE SELECTION OF INDEPENDENT LEGAL COUNSEL TO PROVIDE AS-NEEDED LEGAL SERVICES TO THE OVERSIGHT BOARD  
(Revised 5/7/12)

ITEM 2 – Report from the Successor Agency regarding COMPLIANCE WITH THE POLITICAL REFORM ACT AND ADOPTION OF A PROPOSED CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD AND AUTHORIZING ITS SUBMISSION TO THE CODE-REVIEWING BODY FOR FINAL APPROVAL  
(Revised 5/7/12)

[FPPC Advice Letter to League of Cities I-12-060](#) (Added 5/7/12)

ITEM 3 – Report from the Oversight Board Contact regarding UPDATE ON DEPARTMENT OF FINANCE CONSIDERATION OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULES

ITEM 4 – Report from the Successor Agency regarding ESTABLISHING A SCHEDULE FOR THE DATE, TIME AND LOCATION OF FUTURE PUBLIC MEETINGS OF THE OVERSIGHT BOARD (Revised 5/7/12)

**COMMUNICATIONS RECEIVED**

**ADJOURNMENT**

email: [successorinfo@sandiego.gov](mailto:successorinfo@sandiego.gov)

## ITEM 1

### OVERSIGHT BOARD FOR CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY

DATE ISSUED: 05/07/2012

**SUBJECT:** Report from the Chair regarding CONSIDERATION OF LEGAL COUNSEL AND ADOPTION OF A RESOLUTION DESIGNATING AN AD HOC SELECTION COMMITTEE AND ESTABLISHING A PROCESS, FOR THE SELECTION OF INDEPENDENT LEGAL COUNSEL TO PROVIDE AS-NEEDED LEGAL SERVICES TO THE OVERSIGHT BOARD

**CONTACT/PHONE NUMBER:** David Graham /236-6980

**DESCRIPTIVE SUMMARY OF ITEM:**

Receive a report from the Chair regarding status of the search for legal counsel to the Oversight Board.

Adopt a resolution authorizing the creation of an ad hoc selection committee to facilitate the selection of independent legal counsel for the Oversight Board.

**STAFF RECOMMENDATION:**

Approve proposed actions.

**BACKGROUND:**

On April 25, 2012 the Oversight Board authorized Chair Nelson to work with to identify and contact legal firms that could serve as legal counsel to the Oversight Board on an interim basis. Staff was asked to work with the Chair to identify firms that had redevelopment experience and did not have conflicts with the Successor Agency, the Centre City Development Corporation (CCDC) or the Southeastern Economic Development Corporation (SEDC). Chair Nelson will provide a report to the Oversight Board regarding the results of his discussions.

To address the need to procure ongoing legal counsel for the Oversight Board the Chair requested an action be brought to the Board authorizing the creation of an ad hoc selection committee to work with staff to develop and circulate a Request for Qualifications. The task of the subcommittee would include the creation of a scope of work, required qualifications, and submittal procedures. Additional tasks could include selection of a qualified firm and presentation to the Oversight Board for approval.

David Graham  
Office of the Mayor

Jay Goldstone  
Chief Operating Officer

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-6

A RESOLUTION OF THE OVERSIGHT BOARD FOR  
CITY OF SAN DIEGO REDEVELOPMENT  
SUCCESSOR AGENCY DESIGNATING AN AD HOC  
SELECTION COMMITTEE, AND ESTABLISHING A  
PROCESS, FOR THE SELECTION OF INDEPENDENT  
LEGAL COUNSEL TO PROVIDE AS-NEEDED LEGAL  
SERVICES TO THE OVERSIGHT BOARD.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego; and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, AB 26 provides for the appointment of a seven-member oversight board (Oversight Board) with specific duties to approve and direct certain actions of the Successor Agency pursuant to California Health and Safety Code sections 34180 and 34181; and

WHEREAS, the Oversight Board desires to retain independent legal counsel to provide as-needed legal services to the Oversight Board with respect to issues arising under AB 26 within the jurisdiction of the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. An ad hoc selection committee is hereby formed to facilitate the selection of independent legal counsel for the Oversight Board. The selection committee shall

consist of the following Oversight Board members: \_\_\_\_\_ and

\_\_\_\_\_.

2. The selection committee, in conjunction with Successor Agency staff, shall coordinate the preparation and distribution, at the earliest opportunity, of a request for qualifications seeking as-needed legal services to be provided by a qualified law firm to the Oversight Board through and including December 31, 2013. The selection committee shall establish a set of objective criteria (including, for example, hourly cost of services and knowledge of municipal and redevelopment law) and a scoring system for purposes of ranking all responses to the request for qualifications. The selection committee may conduct in-person or telephonic interviews of two or more of the responsive law firms, as may be deemed appropriate in the selection committee's discretion, in order to determine which law firm will best satisfy the objective criteria in a cost-effective manner.

3. After reviewing the written responses and conducting any interviews, the selection committee shall recommend that the Oversight Board (a) approve the retention of a particular responsive law firm to provide as-needed legal services to the Oversight Board and (b) approve an amendment to any applicable Recognized Obligation Payment Schedule to provide a funding source for payment of such legal services.

**PASSED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on May \_\_\_\_, 2012.

\_\_\_\_\_  
Chair, Oversight Board

## ITEM 2

### OVERSIGHT BOARD FOR CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY

DATE ISSUED: 05/07/2012

**SUBJECT:** Report from the Successor Agency regarding COMPLIANCE WITH THE POLITICAL REFORM ACT AND ADOPTION OF A PROPOSED CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD AND AUTHORIZING ITS SUBMISSION TO THE CODE-REVIEWING BODY FOR FINAL APPROVAL

**CONTACT/PHONE NUMBER:** David Graham /236-6980

#### **DESCRIPTIVE SUMMARY OF ITEM:**

Receive a report from the City Attorney regarding compliance with the Political Reform Act and the Fair Political Practices Commission advice letter of April 25, 2012.

Adopt a resolution including the following:

1. Adoption of a Conflict of Interest Code for the Oversight Board (OB Code) consisting of standard language embodied in title 2, section 18730 of the California Code of Regulations, and any amendments adopted by the FPPC, including Appendix A showing designated positions and their duties, and Appendix B showing the disclosure categories.
2. Submittal of the OB Code to the City Council in its capacity as the code-reviewing body, for review and final approval.
3. Require persons whose positions are designated in the OB Code to file their statements of economic interest with the San Diego City Clerk.
4. Recognize that once the OB Code is approved by the Council the statements of economic interests filed by designated persons will be retained by the San Diego City Clerk and made available for public inspection and reproduction.

#### **STAFF RECOMMENDATION:**

Approve proposed actions.

#### **BACKGROUND:**

On April 25, 2012 the Fair Political Practices Commission issued a letter in response to a request for advice from the League of California Cities. The letter responded to the applicability of the conflict-of-interest code and financial disclosure provisions of the Political Reform Act to new local government agencies and officials holding positions in those agencies created by AB 26.

The creation of Oversight Boards throughout the state, and their operations, varies from jurisdiction to jurisdiction. Some of the provisions of the letter are applicable to this Oversight Board and other sections are not. The letter advises that Oversight Boards must adopt conflict-of-interest codes, and board members must file statements of economic interest.

The Oversight Board is required to adopt a conflict-of-interest code for the Oversight Board and that conflict-of-interest code must be approved by their code reviewing body. Based on the advice in the letter, since the City of San Diego has elected to become the Successor Agency then the City Council is the code reviewing body for the Successor

Agency and the Oversight Board. This action adopts a standard conflict-of-interest code and moves that adoption to the City Council for its action as the code reviewing body.

Board members are required to file with the San Diego City Clerk as the designated filing officer. Additionally, the FPPC has opined that the jurisdiction of the Successor Agency and the Oversight Board are the same, so filers should make economic interest disclosures consistent with that advice.

David Graham  
Office of the Mayor

Jay Goldstone  
Chief Operating Officer



OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-5

A RESOLUTION OF THE OVERSIGHT BOARD FOR  
CITY OF SAN DIEGO REDEVELOPMENT  
SUCCESSOR AGENCY ADOPTING A PROPOSED  
CONFLICT OF INTEREST CODE FOR THE  
OVERSIGHT BOARD AND AUTHORIZING ITS  
SUBMISSION TO THE CODE-REVIEWING BODY  
FOR FINAL APPROVAL.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, AB 26 provides for the appointment of a seven-member oversight board (Oversight Board) with specific duties to approve and direct certain actions of the Successor Agency pursuant to California Health and Safety Code sections 34180 and 34181; and

WHEREAS, California Health and Safety Code section 34179(e) confirms that the Oversight Board is deemed to be a local entity for purposes of the Political Reform Act of 1974, set forth at California Government Code section 81000 et seq. (Political Reform Act); and

WHEREAS, the Fair Political Practices Commission (FPPC) enforces the provisions of the Political Reform Act and related regulations; and

WHEREAS, California Government Code sections 87300 and 87302 require local agencies to adopt conflict of interest codes designating positions that involve the making or participation in making of decisions which may foreseeably have a material effect on financial interests, and for each position, the financial interests which are reportable; and

WHEREAS, based on written guidance provided by the FPPC in a letter dated April 25, 2012, a conflict of interest code must be adopted for members of the Oversight Board, subject to approval of the San Diego City Council, and all members of the Oversight Board must be required to complete and file statements of economic interests in accordance with the code and must comply with all applicable ethics laws; and

WHEREAS, a proposed conflict of interest code has been prepared to meet the requirements of the Political Reform Act, taking into account the specific duties of the Oversight Board; and

WHEREAS, the Oversight Board finds it in the public interest to adopt the standard conflict of interest code promulgated by the FPPC in Regulation 18730, and hereby declares its intention to incorporate by reference the terms of FPPC Regulation 18730 and any amendments to that regulation duly adopted by the FPPC as part of its conflict of interest code; and

WHEREAS, upon approval by the Oversight Board, the proposed conflict of interest code will be submitted to the code-reviewing body, namely the San Diego City Council (Council), for review and approval.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

4. A Conflict of Interest Code for the Oversight Board (OB Code) is hereby adopted, consisting of standard language embodied in title 2, section 18730 of the California Code of Regulations, and any amendments to that regulation duly adopted by the FPPC, with Appendix A showing designated positions and their duties, and Appendix

B showing the disclosure categories. A copy of the OB Code shall be filed in the Oversight Board's records with the San Diego City Clerk as Document No. D-\_\_\_\_\_.

5. The proposed OB Code will be submitted to the Council, in its capacity as the code-reviewing body, for review and final approval.

6. Upon the Council's approval of the OB Code, the persons whose positions are designated in the OB Code shall file their statements of economic interests with the San Diego City Clerk in compliance with the schedule set forth in California Government Code section 87302(b) and FPPC Regulation 18730, or any amendments thereto, which set forth the deadlines for the filing of initial statements, assuming office statements, annual statements, and leaving office statements.

7. Once the OB Code is approved by the Council in its capacity as the code-reviewing body, the statements of economic interests filed by designated persons will be retained by the San Diego City Clerk and be made available for public inspection and reproduction.

**PASSED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on May \_\_\_\_, 2012.

\_\_\_\_\_  
Chair, Oversight Board

## ATTACHMENT A

(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.<sup>1i</sup>

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.<sup>2</sup>

(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 property<sup>3</sup> is required to be reported,<sup>4</sup> 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,<sup>5</sup> 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,<sup>6</sup> 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.

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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).

**ATTACHMENT B**

**APPENDIX A**

**OVERSIGHT BOARD  
DESIGNATED OFFICIALS AND CATEGORIES**

The following officials and employees hold positions requiring disclosure of financial interests pursuant to California Government Code section 87200 and shall file a Form 700 as indicated below, with the required disclosures detailed in Appendix B:

Oversight Board Members ..... 1

Consultants to the Oversight Board ..... 2

**OVERSIGHT BOARD  
CONFLICT OF INTEREST CODE**

**APPENDIX B  
DISCLOSURE CATEGORIES**

**CATEGORY 1:**

Investments and business positions in any business entity located in or doing business with the City of San Diego.

Income and gifts from sources located in or doing business with the City of San Diego.

Interests in real property located in the City of San Diego, including property located within a two-mile radius of any property owned or used by the City.

**CATEGORY 2:**

Consultants shall be designated on a case-by-case basis, depending upon the nature of their services. Consultants are included in this Conflict of Interest Code and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Oversight Board Chair may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Oversight Board Chair’s determination is a public record and shall be retained for public inspection in the same manner and locations as this conflict of interest code.



**ITEM 3**

**OVERSIGHT BOARD FOR CITY OF SAN DIEGO  
REDEVELOPMENT SUCCESSOR AGENCY**

DATE ISSUED: 05/07/2012

**SUBJECT:** Report from the Oversight Board Contact regarding UPDATE ON DEPARTMENT OF FINANCE CONSIDERATION OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULES

**CONTACT/PHONE NUMBER:** David Graham /236-6980

**DESCRIPTIVE SUMMARY OF ITEM:**

Receive a report from the Oversight Board Contact regarding communications with the Department of Finance associated with the submitted Recognized Obligation Payment Schedules.

**STAFF RECOMMENDATION:**

Accept report.

**BACKGROUND:**

April 25, 2012 the Oversight Board considered and approved the Initial Draft Recognized Obligation Payment Schedule (Initial Draft ROPS), Second Recognized Obligation Payment Schedule (Second ROPS), and Third Amended and Restated Enforceable Obligation Payment Schedule (Third EOPS). On May 2, 2012 the Department of Finance notified the Oversight Board Contact that they were requesting a review of one or more Enforceable Obligations contained in the ROPS (Attachment A). The Department of Finance (DOF) has ten calendar days from May 2, 2012 to complete their review.

The Successor Agency staff and Oversight Board Contact have notified the DOF that they are available to provide any additional information necessary to complete the review. It is anticipated that the DOF will provide a response on or before May 12, 2012.

David Graham  
Office of the Mayor

Jay Goldstone  
Chief Operating Officer

## ATTACHMENT A

**From:** McClendon, Randy [mailto:Randy.McClendon@dof.ca.gov]  
**Sent:** Wednesday, May 02, 2012 8:49 AM  
**To:** Graham, David  
**Cc:** Scott, Robert; Tracy.Sandoval@sdcounty.ca.gov; Juan.Perez@sdcounty.ca.gov;  
Nenita.Dejesus@sdcounty.ca.gov  
**Subject:** ROPS Review Notice  
**Importance:** High

Dear David,

On April 27, 2012, we received the Recognized Obligation Payment Schedule (ROPS) that was approved by your Oversight Board for the City of San Diego. Health and Safety Code section 34179 (h) allows the California Department of Finance (Finance) three business days to request a review of an Oversight Board action.

This email serves as notice that we are requesting a review of one or more Enforceable Obligations contained in your ROPS. Pending the resolution of the questions we have on these Enforceable Obligations, your ROPS shall not be effective.

Since Finance is statutorily obliged to operate within a 10-day review period, we will be contacting you shortly to obtain further clarification and supporting documentation for the Enforceable Obligations in question. We hope to work expeditiously with you to resolve these questions within the specified time frame.

Thank you.

### **Randy McClendon**

California Department of Finance  
915 L Street  
Sacramento, CA 95814  
(916) 322-2985 ext. 3190  
(916) 322-2618 fax



**ITEM 4**

**OVERSIGHT BOARD FOR CITY OF SAN DIEGO  
REDEVELOPMENT SUCCESSOR AGENCY**

DATE ISSUED: 05/07/2012

**SUBJECT:** Report from the Successor Agency ESTABLISHING A SCHEDULE FOR THE DATE, TIME AND LOCATION OF FUTURE PUBLIC MEETINGS OF THE OVERSIGHT BOARD

**CONTACT/PHONE NUMBER:** David Graham /236-6980

**DESCRIPTIVE SUMMARY OF ITEM:**

Discuss potential meeting times and locations.

Adopt a resolution establishing a schedule for the date, time and location of future public meetings of the Oversight Board.

**STAFF RECOMMENDATION:**

Adopt resolution.

**BACKGROUND:**

On April 25, 2012 the Oversight Board requested staff coordinate with the members to identify dates and times for future meetings. City facilities are generally available some Thursday afternoons, and every Friday morning through the end of June. This action will set a schedule for the next several meetings based upon the availability of the board members and will notify the public of the meetings.

David Graham  
Office of the Mayor

Jay Goldstone  
Chief Operating Officer

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-7

A RESOLUTION OF THE OVERSIGHT BOARD FOR CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY ESTABLISHING A SCHEDULE FOR THE DATE, TIME AND LOCATION OF FUTURE PUBLIC MEETINGS OF THE OVERSIGHT BOARD.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego; and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, AB 26 provides for the appointment of a seven-member oversight board (Oversight Board) with specific duties to approve and direct certain actions of the Successor Agency pursuant to California Health and Safety Code sections 34180 and 34181; and

WHEREAS, the Oversight Board desires to establish a schedule for the date, time and location of certain future public meetings of the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

8. The next public meetings of the Oversight Board shall occur as follows:

(a) \_\_\_\_\_, 2012, at \_\_\_\_\_ [a.m./p.m.], at \_\_\_\_\_ [location];

(b) \_\_\_\_\_, 2012, at \_\_\_\_\_ [a.m./p.m.], at \_\_\_\_\_ [location];

(c) \_\_\_\_\_, 2012, at \_\_\_\_\_ [a.m./p.m.], at \_\_\_\_\_ [location]; and

(d) \_\_\_\_\_, 2012, at \_\_\_\_\_ [a.m./p.m.], at \_\_\_\_\_ [location].

9. Successor Agency staff shall coordinate the noticing of all such future meetings in accordance with the Ralph M. Brown Act.

**PASSED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight

Board held on May \_\_\_\_, 2012.

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Chair, Oversight Board