

**TOWN OF YUCCA VALLEY
TOWN COUNCIL MEETING MINUTES
JANUARY 21, 2014**

OPENING CEREMONIES

Mayor Pro Tem Huntington called the meeting to order at 6:00 p.m.

Council Members Present: Abel, Leone, Rowe and Mayor Pro Tem Huntington. Mayor Lombardo was out of town and unable to attend.

Staff Present: Deputy Town Manager Stueckle, Administrative Services Director Yakimow, Police Captain Boswell, Town Attorney Laymon, and Town Clerk Copeland

The Pledge of Allegiance was led by Council Member Leone

The invocation was led by Brother John Deurmier, The Church of Jesus Christ of Latter Day Saints

AGENCY REPORTS

1. Yucca Valley Chamber of Commerce

The Chamber of Commerce Monthly Report was presented by Chamber President, Jim Lawless.

2. Hi Desert Water District

The monthly Water / Wastewater Report was presented by Hi Desert Water District Operations Manager, Mark Ban.

APPROVAL OF AGENDA

Council Member Leone moved to approve the agenda for the Regular Town Council Meeting of January 21, 2014. Council Member Rowe seconded. Motion carried 4-0-1 on a voice vote.

CONSENT AGENDA

- 3. Waive** further reading of all ordinances and read by title only.
- 4. Approve** the Town Council meeting minutes of November 19, 2013 as presented
- 5. Receive and file** the monthly statistical Fire Department Reports for December 2013
- 6. Reject** one claim filed against the Town of Yucca Valley submitted on December 23,

2013 by J. Donald Graham

- 7. **Re-schedule** the 2013 Building Code Adoption Public Hearing to Tuesday, February 4, 2014
- 8. **Re-schedule** the Public Facilities Development Impact Fee Public Hearing to Tuesday, February 4, 2014
- 9. **Approve** Special License, SPL 23-13
- 10. **Authorize** Town Staff to purchase the portable solar message board using FY 2013 Homeland Security Grant Program (HSGP) funds, from Tops N Barricades, the lowest of four bidders in the amount of \$15,629.76.
- 11. **Adopt** Resolution No. 14-02 authorizing staff to submit a grant application to the California Department of Housing and Community Development to seek Housing-Related Parks Program funding for additional Paradise Park improvements.
Authorize the Director of Administrative Services as the official designated and authorized to represent the Town on current and subsequent park specific grant documents, reimbursement requests and reports.
- 12. **Receive and file** the AB1234 Reporting Requirement Schedule for the month of December 2013.
- 13. **Item Pulled**

Mayor Pro Tem Huntington opened public comment for the Consent Agenda items. With no members of the public wishing to speak, public comments were closed.

Council Member Rowe moved to approve consent agenda items 3-12. Council Member Abel seconded. Motion carried 4-0-1 on a roll call vote

- AYES:** Council Members Abel, Huntington, Leone, and Rowe
- NOES:** None
- ABSTAIN:** None
- ABSENT:** Mayor Lombardo

Item 13- Council Member Leone inquired on a payment made to the Animal Action League, CS Legacy, and for median maintenance near Home Depot.

Council Member Leone moved to ratify the Payroll Registers total of \$374,224.73 dated December 06, 2013 thru January 03, 2014 and ratify Warrant Registers total of \$1,264,438.96 for checks dated December 19, 2013 to January 09, 2014. Council Member Rowe seconded. Motion carried 4-0-1 on a roll call vote.

AYES: Council Members Abel, Huntington, Leone, and Rowe
NOES: None
ABSTAIN: None
ABSENT: Mayor Lombardo

DEPARTMENT REPORTS

14. Mid Year Budget Report for the Six Months Ending December 31, 2013

Town Senior Accountant Sharon Cisneros presented a mid-year summary, explaining that the Town's mid-year budget review indicates projected year-end results to be in-line with projections from the FY 2013-14 Amended Budget.

Mayor Pro Tem Huntington opened public comments.

Margo Sturges, Yucca Valley commented favorably on the budget report, however she would like to see a review on reserve fund designations.

With no other members of the public wishing to speak, Mayor Pro Tem Huntington closed public comment.

Council Member Abel expressed he was glad to see the Town's revenues and expenses are on track.

Council Member Rowe inquired on the general fund surplus from FY 2012-13 and would like to see a future discussion on this.

Council Member Abel moved to receive and file the Mid-Year Budget Report for FY 2013-14. Council Member Rowe seconded. Motion carried 4-0-1 on a roll call vote.

AYES: Council Members Abel, Huntington, Leone, and Rowe
NOES: None
ABSTAIN: None
ABSENT: Mayor Lombardo

15. Capital Improvement Program Update Report

Town Project Engineer Alex Qishta presented an update on current capital improvement projects. The TCRP on Highway 62 is on schedule. The PLHD project also on Hwy 62 is expected to begin mid-February 2014.

The Signal Synchronization Project for several signals along Highway 62 is expected to begin when the median work along the highway is complete.

Paradise Park Playground Equipment Improvements is a CDBG construction project and is moving forward.

Town residents should see the 2014-15 slurry seal road repairs, hot mix asphalt repairs and replacement of street striping, markings and legends beginning in July 2014.

The Safe Route to School Project, including a sidewalk along Sage Ave from Onaga Trail to Highway 62 is expected to be going to bid in March 2014, with construction beginning in July 2014.

The traffic signal on Twentynine Palms Hwy at Dumosa is funded by County Regional Measure I funds and construction is expected to begin in June 2014.

Restriping of the Yucca Trail / Palomar intersection should be completed by the end of February 2014.

The tennis courts at Jacobs Park will be resurfaced, beginning in May 2014.

Mayor Pro Tem Huntington opened public comments. With no members of the public wishing to speak, public comments were closed.

Council Member Leone inquired about the intersection restriping project at the corner of Yucca Trail and Palomar and the speed limit sign placement on Highway 62 near Kickapoo Trail

Council Member Abel commented favorably on the Safe Routes to School project near Yucca Valley High School.

Council Member Rowe thanked staff for the modifications to the Yucca Trail / Palomar intersection.

Council Member Rowe moved to approve receive and file the Capital Improvement Program update report. Council Member Leone seconded. Motion carried 4-0-1 on a roll call vote.

AYES: Council Members Abel, Huntington, Leone, and Rowe
NOES: None
ABSTAIN: None
ABSENT: Mayor Lombardo

16. Senior Housing Development Financing Structure Update

Administrative Services Director Yakimow presented the staff report giving an overview

of the 74-unit affordable senior housing development being constructed near Town Hall. Yakimow explained that the project is expected to be completed during the summer 2014. The Town’s participation in the project is solely as a lender. All funds provided to the developer will be returned to the Town in the form of residual receipts generated from the operation of the development.

Based upon the infrastructure being delivered by the project and prior actions from the former Redevelopment Agency, there are a number of funding sources used in the development’s financing structure. 1) Land Contribution (non-cash) \$940,000, 2) Project Development Impact Fees \$250,000, 3) Storm Drain Impact Fees \$300,000, 4) Local Transportation Fund (LTF) \$300,000, December 2010 Exclusive Negotiating Agreement (Low Mod Income Housing Set Aside) \$500,000, and SERAF Repayment from Successor Agency \$635,000, totaling \$2,925,000.

Since the time of the Council’s approval of the Amendment to the Financing, Disposition and Development Agreement in July 2012, the Town has received clarification regarding two of the sources initially identified.

1. December 2010 Exclusive Negotiating Agreement (“ENA”)
\$500,000

In 2011, the Successor Agency to the former Yucca Valley Redevelopment Agency (“Agency”) received a final determination from the California Department of Finance that the inclusion of the ENA amount on the Agencies Recognized Obligation Payment Schedule was disallowed. While the Agency staff felt the obligation was justified, a business decision was made to move forward with no further legal action challenging the state beyond the meet and confer process. Accordingly, this funding per the approved agreement was then provided from additional property tax revenues repaid to the Town as a taxing entity pursuant to AB 1x 26.

2. SERAF Repayment of \$636,679

During the completion of the wind-down process of redevelopment agencies across the state, the Department of Finance has issued guidance on its interpretations of both AB 1x 26 and AB 1484. One area of guidance deals with the permanent allocation and distribution of the former Yucca Valley RDA SERAF receivable of \$636,679. The guidance provided was two-fold:

- i. The Town was entitled to the full SERAF receivable of \$636,679, due to the Town acting as the Low/Mod Housing function of the prior Yucca Valley RDA.
- ii. The Successor Agency could request reimbursement of the SERAF repayment in accordance with state law, which provides for inclusion on the Agency’s Recognized

Obligation Payment Schedule, in an amount determined by the Department of Finance.

Yakimow continued to state it is anticipated that the Successor Agency will be able to request full SERAF reimbursement over the next three to five years. As a result, the Town will need to provide a cash flow resource for the SERAF allocation toward the Senior Housing Development project financing structure. After reviewing the alternatives available to the Town, staff is recommending the utilization of unused low/mod bond funds as a cash flow resource, until such time as the SERAF allocation is fully recovered. This resource would be provided from the Town's Low/Mod Bond Funds special revenue fund and would be advanced to the Town's Low/Mod Housing Fund special revenue fund, as a payable of that fund. It will not be an expenditure of the Bond Funds, rather a loan of funds with planned repayment. The proposed use of the funds is in accordance with the original intent of issuance as identified in the Indenture of Trust.

Yakimow explained that it is important to highlight that with the recommended action, the Town's role in the financing structure of the Senior Housing Development project remains solely as a lender, with a note receivable in the Town's Low/Mod Housing Fund for the entire \$2,925,000. The proposed actions simply provide the cash flow transactions necessary to meet the Town's obligations as previously committed.

Mayor Pro Tem Huntington opened public comments.

Margo Sturges, Yucca Valley commented on the dollar figures contained in the staff report and voiced concerns over financing elements.

With no other members of the public wishing to speak, Mayor Pro Tem Huntington closed public comments.

Council Member Leone spoke in opposition to several aspects of the Affordable Senior Housing Project.

Council Member Abel inquired about the SERAF portion of the financial commitment and stated he is excited to see the project moving forward. Abel continued to inquire on how the Town staff is responding to the high number of inquiries from local seniors looking to set up residency there.

Council Member Leone inquired on the leasing process and if local residents have priority status.

Council Member Rowe moved to:

1. Receive and file the Senior Housing Development Financing Structure update.

2. Amend the FY 2013-14 adopted budget to implement the previously approved Senior Housing financing structure and accommodate the Supplemental Educational Revenue Augmentation Fund (SERAF) repayment plan incorporated into the Yucca Valley Redevelopment Agency dissolution process as attached.
- 3.

Council Member Abel seconded. Motion carried 3-1-1 on a roll call vote with Council Member Leone voting no.

AYES: Council Members Abel, Huntington, and Rowe
NOES: Council Member Leone
ABSTAIN: None
ABSENT: Mayor Lombardo

FUTURE AGENDA ITEMS

None Stated

PUBLIC COMMENTS

Mayor Pro Tem Huntington opened public comments.

Margo Sturges, Yucca Valley inquired about financial terms used on staff reports.

With no members of the public wishing to speak, Mayor Pro Tem Huntington closed public comments.

STAFF REPORTS AND COMMENTS

Deputy Town Manager Stueckle thanked Senior Accountant Cisneros for her work on the grant application for Paradise Park and gave an overview of upcoming items at the first Town Council meeting of February 2014.

Administrative Services Director Yakimow invited the Town Council and the public to the Reduce, Reuse, and Recycle exhibit at the Hi Desert Nature Museum.

MAYOR AND COUNCIL MEMBER REPORTS AND COMMENTS

17. Council Member Abel reminded residents to replenish emergency supplies and suggested the local Community Emergency Response Team (CERT) training. Abel also announced that the Animal Action League has spay and neutering services for dogs and cats and the Miss Yucca Valley Pageant will be held on February 1st.

YUCCA VALLEY TOWN COUNCIL MINUTES

January 21, 2014

- 18.** Council Member Leone reminded residents to conserve water.
- 19.** Council Member Rowe announced that the LAFCO representation is up for consideration again in May 2014 and suggested that fellow Council Members consider this assignment.
- 20.** Mayor Pro Tem Huntington announced Science Saturday at the Hi Desert Nature Museum and suggested that local residents check out the HERO program presented by SANBAG for energy efficiency project funding.

ANNOUNCEMENTS

The next meeting of the Yucca Valley Town Council will be held on Tuesday, February 4, 2014 at 6:00 pm, in the Yucca Room of the Yucca Valley Community Center.

ADJOURNMENT

With no further business, Mayor Pro-Tem Huntington adjourned the meeting at 7:35 p.m.

Respectfully Submitted,

Lesley Copeland, CMC
Town Clerk