

**HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HOUSING AUTHORITY
COMMUNITY DEVELOPMENT COMMISSION
FIRE PROTECTION DISTRICT
WATER DISTRICT
AGENDA**

Regular Joint Meetings
1st and 3rd Tuesday

Date: January 8, 2019
SPECIAL MEETING

Time: 5:30 P.M. (Closed Session)
6:30 P.M. (Regular Meeting)

CITY COUNCIL MEMBERS

Larry Bird, Mayor

William J. Holland, Mayor Pro Tem

Jeremiah Brosowske, Council Member

Cameron Gregg, Council Member

Rebekah Swanson, Council Member

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Nils Bentsen, City Manager

Eric L. Dunn, City Attorney



City of Hesperia

Council Chambers
9700 Seventh Avenue
Hesperia, CA 92345

City Clerk's Office: (760) 947-1007

**Agendas and Staff Reports are
available on the City Website**

www.cityofhesperia.us

Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



NOTE: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1056. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

**NOTICE AND CALL OF SPECIAL MEETING
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA FIRE PROTECTION DISTRICT
HESPERIA WATER DISTRICT**

NOTICE IS HEREBY GIVEN that a special meeting of the Hesperia City Council, Successor Agency to the Redevelopment Agency, Hesperia Housing Authority, Hesperia Community Development Commission, Hesperia Fire Protection District, and Hesperia Water District will be held on Tuesday, January 8, 2019, at 6:30 p.m. in the City Council Chambers, at 9700 Seventh Avenue, Hesperia, CA 92345.



Larry Bird, Mayor / Chair

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**SPECIAL MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA WATER DISTRICT**

As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.

Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.

CLOSED SESSION - 5:30 PM

Roll Call

*Mayor Larry Bird
Mayor Pro Tem William J. Holland
Council Member Jeremiah Brosowske
Council Member Cameron Gregg
Council Member Rebekah Swanson*

Conference with Legal Counsel - Potential Litigation:
Government Code Section 54956.9(d)2

1. One (1) case

Conference with Real Property Negotiators – Property Negotiations
Government Code Section – 54956.8

1. Negotiating Parties: Hesperia Community Development Commission, City of Hesperia, and Interstate Waste Technologies.
Location: APN's: 0410-061-01 thru 04, 06, 07 and 0410-071-06,07, 25 and 26
Under Negotiation: Price and Terms

2. Negotiating Parties: J.C. Property Investments, LLC (Southland Pipe Company), City of Hesperia, and Hesperia Community Development Commission
Location: APN: 0410-031-03
Under Negotiation: Price and Terms

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag

C. Roll Call

Mayor Larry Bird
Mayor Pro Tem William J. Holland
Council Member Jeremiah Brosowske
Council Member Cameron Gregg
Council Member Rebekah Swanson

D. Agenda Revisions and Announcements by City Clerk

E. Closed Session Reports by City Attorney

ANNOUNCEMENTS/PRESENTATIONS

1. Presentation of Proclamation to the Children's Network and Mentoring Task Force for National Mentoring Month
2. Presentation of Certificate of Recognition to Mike Limbaugh former Board Member of the Hesperia Recreation and Park District
3. Community Events Calendar

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the joint agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

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JOINT CONSENT CALENDAR

1. Page 7 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, December 18, 2018

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, December 18, 2018.

Staff Person: City Clerk Melinda Sayre

Attachments: [Draft CC Min 2018-12-18](#)

2. Page 13 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Warrant Run 1-8-2019](#)
[Attachment 1 - Warrant Runs](#)

3. Page 15 CivicPlus SSL Security Certificate

Recommended Action:

It is recommended that the City Council increase the Council Authority with CivicPlus by \$500, for a revised not to exceed amount of \$62,100. This increase will allow for the payment of SSL certificate updates which CivicPlus has made to the City's website.

Staff Person: Environmental Programs Coordinator Dan Sousa

Attachments: [SR Civic Plus Security Contract Addition 1-8-2019](#)

4. Page 17 Audited Hesperia Housing Authority Financial Statements for Fiscal Year Ended June 30, 2018 and Housing Successor SB 341 Report

Recommended Action:

It is recommended that the City Council and the Hesperia Housing Authority (HHA) Board receive and file the audited Hesperia Housing Authority - Component Unit Financial Statements for the Fiscal Year Ended June 30, 2018 and Housing Successor SB 341 Report.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR HHA Audited Financial Statements 1-8-2019](#)
[Attachment 1 - June 30, 2018 Component Unit Statements](#)
[Attachment 2 - SB 341 Housing Successor Report](#)
[Attachment 3 - Dec 20 2018 Memo to Board](#)

5. Page 53 Parcel Map 19965

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2019-001 approving Parcel Map No. 19965 to create two parcels from 2.7 gross acres within the Limited Agriculture (A1) zone located on the south side of Poplar Street 250 feet east of Cottonwood Avenue (Applicant: Luis Fragoso; APN: 0409-052-05).

Staff Person: Assistant City Manager Michael Blay

Attachments: [SR Parcel Map 19965 1-8-2019](#)

[Resolution 2019-001](#)

[Attachment 2 - Parcel Map](#)

NEW BUSINESS

6. Page 59 City Council Appointments to Outside Agencies

Recommended Action:

It is recommended that the City Council follow past practice and appoint liaisons (both primary and alternate) to various outside agencies for a one year period to commence in January 2019.

Staff Person: City Clerk Melinda Sayre

Attachments: [SR Outside Agency Appointments 1-8-2019](#)

[Attachment 1 - 2018 Appointment Summary](#)

7. Page 65 City Council Appointments to Advisory Committees and Planning Commission

Recommended Action:

It is recommended that newly elected and re-elected City Council Members appoint one (1) community representative to fill vacant seats on the City Council Advisory Committee, Public Safety Advisory Committee and Planning Commission to commence on January 11, 2019.

Staff Person: City Clerk Melinda Sayre

Attachments: [SR Council Advisory and Committee Appointments 1-8-2019](#)

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.

ADJOURNMENT

I, Melinda Sayre, City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday, January 3, 2019 at 5:30 p.m. pursuant to California Government Code §54954.2.

*Melinda Sayre,
City Clerk*

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City of Hesperia

Meeting Minutes - Draft

City Council

City Council Chambers
9700 Seventh Ave.
Hesperia CA, 92345

Tuesday, December 18, 2018

6:30 PM

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA FIRE PROTECTION DISTRICT
HESPERIA WATER DISTRICT**

CLOSED SESSION - 5:00 PM

Roll Call

Present: 5 - Mayor Pro Tem William J. Holland, Council Member Swanson, Mayor Bird, Council Member Brosowske and Council Member Gregg

Conference with Legal Counsel - Potential Litigation:
Government Code Section 54956.9(d)2

1. One (1) case

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)1

1. Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)

Conference with Real Property Negotiators – Property Negotiations
Government Code Section – 54956.8

1. Negotiating Parties: Eagle Hesperia 55II, LP and Hesperia Housing Authority
Location: APN 0405-072-70
Under Negotiation: Discuss Affordable Housing Loan Agreement

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag

C. Roll Call

Present: 5 - Mayor Pro Tem William J. Holland, Council Member Swanson, Mayor Bird, Council Member Brosowske and Council Member Gregg

D. Agenda Revisions and Announcements by City Clerk - None

E. Closed Session Reports by City Attorney – Direction was given to staff. No reportable action taken.

ANNOUNCEMENTS/PRESENTATIONS

1. Presentation to Employee of the Month for November to Dan Sousa, Environmental Programs Coordinator by Rachel Molina, Assistant to the City Manager
2. Presentation to Employee of the Year Randy Horn, Maintenance Worker by Mark Faherty, Public Works Manager
3. Presentation to resident, Alyshea Moore winner of the Pride Enhancement Program quarterly recognition
4. ~~Presentation of Certificate of Recognition to Mike Limbaugh by Council Member Swanson~~
5. Community Events Calendar – *Those that bring a toy to donate to the Spark of Love toy drive can adopt any dog or cat at Hesperia Animal Shelter for only \$15; Sandbags are available at City Hall, the Mojave Corporation Yard, and all Fire Station; An e-Waste recycling event January 5 & 6 from 9am – 4pm behind Eagle Plaza; City Council Meetings in January will be held on Tuesday, January 8 and Tuesday, January 22 at 6:30pm.*

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Bob Nelson commented on public speech.

Dr. Derek King commented on High Desert Chamber of Commerce efforts.

Al Vogler commented on Council Member Brosowske's appointment to the Council.

Michael Rath commented on medical cannabis post cards distributed.

JOINT CONSENT CALENDAR

A motion was made by Holland, seconded by Swanson, that the Consent Calendar items 1-3 and 5 be approved. The motion carried by the following vote:

Aye: 5 - Holland, Swanson, Bird, Brosowske and Gregg

Nay: 0

1. Consideration of the Draft Minutes from the Special Meeting held Tuesday, December 11, 2018

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Special Meeting held Tuesday, December 11, 2018.

Sponsors: City Clerk Melinda Sayre

2. Fiscal Year 2017-18 Final Budget Amendments

Recommended Action:

It is recommended that the following resolutions be adopted, amending the respective Fiscal Year 2017-18 Budgets for the City of Hesperia, Hesperia Housing Authority, Community Development Commission, the Hesperia Fire Protection District, and the Hesperia Water District:

- 1) City of Hesperia No. 2018-66
- 2) Hesperia Housing Authority HHA 2018-15
- 3) Community Development Commission CDC 2018-14
- 4) Hesperia Fire Protection District HFPD 2018-22
- 5) Hesperia Water District Resolution HWD 2018-24

Sponsors: Director of Finance Casey Brooksher

3. 2018-19 Statement of Investment Policy

Recommended Action:

It is recommended that the Council/Board/Commission adopt City Resolution No. 2018-63, Successor Agency to the Hesperia Community Redevelopment Agency Resolution No. SA 2018-07, Hesperia Housing Authority Resolution No. HHA 2018-14, Community Development Commission Resolution No. CDC 2018-13, Fire District Resolution No. HFPD 2018-21, and Water District Resolution No. HWD 2018-22 amending the Fiscal Year 2018-19 Statement of Investment Policy.

Sponsors: Director of Finance Casey Brooksher

4. Award a Professional Services Agreement for Engineering Design Services for FY 2018-19 CDBG Street Improvements (C.O. No. 7150)

Recommended Action:

It is recommended that the Council award a Professional Services Agreement (PSA) to Onward Engineering in the amount of \$169,007 plus a contingency amount of \$16,900, for a total not-to-exceed amount of \$185,907 for professional engineering services for FY 2018-19 CDBG Street Improvements (C.O. No. 7150), and authorize the City Manager to execute said agreement.

Sponsors: Assistant City Manager Michael Blay

Item 4 was pulled by Council Member Brosowske.

A motion was made by Holland, seconded by Bird, that this item be approved. The motion carried by the following vote:

Aye: 4 - Holland, Swanson, Bird and Gregg

Nay: 1 - Brosowske

5. Parcel Map No. 20042

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2018-072 approving Parcel Map No. 20042 to create two parcels and a remainder for financing purposes from approximately 215 acres within the CIBP zone of the Main Street and Freeway Corridor Specific Plan located on the west side of Caliente Road, north of and adjacent to the railroad tracks, approximately 900 feet south of the Joshua Street intersection (Applicant: Covington Investments, LLC; APNs: 3093-311-03,4,5,6; 3039-341-01,2,5,6,7; 3039-431-02,4; 3039-351-08).

Sponsors: Assistant City Manager Michael Blay

PUBLIC HEARING

6. Sidewalk Vending Regulations

Recommended Action:

It is recommended that the City Council introduce and place on first reading Ordinance No. 2018-09 amending the Hesperia Municipal Code, adding Chapter 5.26 related to regulating sidewalk vendors, amending Chapter 1.04 adding definitions of sidewalk vending. Adopt Joint Resolution No. 2018-73, Resolution No. HWD 2018-26, Resolution No. HFPD 2018-23, Resolution No. HHA 2018-16, and Resolution No. HCD 2018-15 amending the City-wide fee schedule and adopt Resolution No. 2018-74 amending the City Bail Schedule.

Sponsors: Assistant City Manager Michael Blay and Administrative Analyst Tina Bulgarelli

The public hearing was opened. There being no public testimony, the public hearing was closed.

A motion was made by Swanson, seconded by Holland, that this item be approved. The motion carried by the following vote:

Aye: 4 - Holland, Swanson, Bird and Gregg

Nay: 1 - Brosowske

7. California Public Finance Authority TEFRA Hearing - LaVerne Elementary Preparatory Academy Charter School

Recommended Action:

It is recommended that the City Council Adopt Resolution No. 2018-63 to approve the issuance of tax-exempt revenue bonds by the California Public Finance Authority in an aggregate principal amount not to exceed \$20 Million to assist in financing the construction of the LaVerne Elementary Preparatory Academy Charter School. The City is already a member of the California Public Finance Authority.

Sponsors: Senior Planner Daniel Alcayaga

The public hearing was opened. There being no public testimony, the public hearing was closed.

A motion was made by Holland, seconded by Gregg, that this item be approved. The motion carried by the following vote:

Aye: 3 - Holland, Bird and Gregg

Nay: 1 - Swanson

Abstain: 1 - Brosowske

NEW BUSINESS

8. Fiscal Year 2018-19 First Quarter Budget Review

Recommended Action:

It is recommended that the Fiscal Year 2018-19 First Quarter Budget Review be received and filed and the related following resolutions, which amend the respective Fiscal Year 2018-19 Budgets for the City of Hesperia, and the Hesperia Water District to be approved:

1. City of Hesperia Resolution No. 2018-67
2. Hesperia Water District HWD 2018-25

Sponsors: Director of Finance Casey Brooksher

A motion was made by Brosowske, seconded by Gregg, that this item be approved. The motion carried by the following vote:

Aye: 5 - Holland, Swanson, Bird, Brosowske and Gregg

Nay: 0

9. Approval of Annual Recognized Obligation Payment Schedule 19-20 and Successor Agency Fiscal Year 2019-20 Administrative Budget

Recommended Action:

It is recommended that the Successor Agency adopt Resolution No. SA 2018-08 approving the Annual Recognized Obligation Payment Schedule for the period July 1, 2019 to June 30, 2020, approving the Successor Agency's Fiscal Year 2019-20 administrative budget, and making certain

findings and authorizations therewith.

Sponsors: Director of Finance Casey Brooksher

A motion was made by Brosowske, seconded by Swanson, that this item be approved. The motion carried by the following vote:

Aye: 5 - Holland, Swanson, Bird, Brosowske and Gregg

Nay: 0

10. Cannabis Tax

Recommended Action:

It is recommended that the Council review the report and provide direction to staff on the percentage of tax to be assessed on commercial cannabis businesses pursuant to Measure T.

Sponsors: City Attorney Eric Dunn

Rick Casas commented on item 10.

A motion was made by Holland to set the commercial cannabis business tax rate at 4%, seconded by Gregg, that this item be approved. The motion carried by the following vote:

Aye: 4 - Holland, Swanson, Bird and Gregg

Nay: 0

Abstain: 1 - Brosowske

11. Development Impact Fee Reduction Program - Water Facilities Fee

Recommended Action:

It is recommended that the City Council and Board of Directors of the Water District review the information provided and provide direction to staff on the collection of the Water Facilities Fee for water connections.

Sponsors: Assistant City Manager Michael Blay

Bob Nelson commented on item 11.

A motion was made by Holland that fees revert to 2007 rates for those who do not currently have plans submitted and all fees paid by 1/15/2019, seconded by Gregg, that this item be approved. The motion carried by the following vote:

Aye: 4 - Holland, Swanson, Bird and Gregg

Nay: 1 - Brosowske

COUNCIL COMMITTEE REPORTS AND COMMENTS

Mayor Bird commented on the Jolly Parade, Tri-Agency meeting attendance, and upcoming VVWRA meetings.

Mayor Pro Tem Holland commented on the street vendor item and thanked staff.

Council Member Brosowske commented on the meeting.

Council Member Gregg thanked staff.

Council Member Swanson commented on the TEFRA item, the City's mobile app, and food-borne illness.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

None

ADJOURNMENT

Mayor Bird adjourned the meeting in memory of former President George Herbert Walker Bush at 8:49 p.m.

*Melinda Sayre,
City Clerk*

City of Hesperia STAFF REPORT



DATE: January 8, 2019

TO: Mayor and Council Members
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Fire Protection District
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne Duke, Deputy Finance Director
Keith Cheong, Financial Analyst

SUBJECT: Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Fire – Water)

RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

BACKGROUND

The Warrant Run totals represented below are for the period November 24, 2018 through December 7, 2018.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$511,719.58	\$258,551.39	\$0.00	\$770,270.97
Successor Agency	3,875.00	0.00	0.00	3,875.00
Housing Authority	9,008.68	2,490.90	0.00	11,499.58
Community Development Commission	2,265.12	6,913.45	0.00	9,178.57
Fire	1,078.00	0.00	0.00	1,078.00
Water	276,306.23	101,393.98	40,077.83	417,778.04
Totals	\$804,252.61	\$369,349.72	\$40,077.83	\$1,213,680.16

The wire amounts are as follows:

- \$25,321.60 to Bank of America, N.A. for Hesperia Water Swap Interest Payment.
- \$14,756.23 to U.S. Bank Trust N.A. for Hesperia Water 1998A Interest Payment.

ATTACHMENT(S)

1. Warrant Runs

City of Hesperia
WARRANT RUNS
11/24/2018 - 12/07/2018

FUND #	FUND NAME	W/E 11/16/2018	W/E 11/23/2018	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
Accounts Payable							
100	GENERAL	\$ 70,275.59	\$ 58,606.87	\$ 128,882.46	\$ -	\$ 9,403,959.47	\$ 10,043,843.08
204	MEASURE I - RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ 259,972.40	\$ 771,878.38
205	GAS TAX	\$ -	\$ -	\$ -	\$ -	\$ 4,795.00	\$ 127,818.54
207	LOCAL TRANSPORT-SB 325	\$ 1,800.00	\$ 10,794.06	\$ 12,594.06	\$ -	\$ 146,921.11	\$ 22,834.36
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ 24,895.99	\$ -
251	CDBG	\$ 1,202.57	\$ -	\$ 1,202.57	\$ -	\$ 138,868.57	\$ 195,544.37
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ 27,600.00	\$ 30,000.00
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 2,921.40	\$ 282.02	\$ 3,203.42	\$ -	\$ 16,595.73	\$ 14,212.00
257	NEIGHBORHOOD STABILIZATION PROG	\$ -	\$ -	\$ -	\$ -	\$ 21,145.77	\$ 8,239.84
260	DISASTER PREPARED GRANT	\$ -	\$ 76.02	\$ 76.02	\$ -	\$ 6,939.95	\$ 3,719.26
263	STREETS MAINTENANCE	\$ 56,903.86	\$ 27,822.35	\$ 84,726.21	\$ -	\$ 1,107,553.28	\$ 929,281.69
300	DEV. IMPACT FEES - STREET	\$ 18,711.79	\$ -	\$ 18,711.79	\$ -	\$ 138,699.70	\$ 618,319.15
301	DEV. IMPACT FEES - STORM DRAIN	\$ 1,050.00	\$ -	\$ 1,050.00	\$ -	\$ 20,827.50	\$ 8,000.00
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,028,329.10	\$ 1,023,886.10
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ 557,602.92	\$ 537,593.63
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 22,567.23	\$ -
509	CITY FACILITIES CIP	\$ -	\$ 1,968.75	\$ 1,968.75	\$ -	\$ 88,748.63	\$ -
800	EMPLOYEE BENEFITS	\$ 28,637.56	\$ 226,284.90	\$ 254,922.46	\$ -	\$ 3,220,011.16	\$ 2,976,188.91
801	TRUST/AGENCY	\$ 4,068.97	\$ (54.63)	\$ 4,014.34	\$ -	\$ 832,305.69	\$ 1,823,072.70
802	AD 91-1 AGENCY	\$ -	\$ 367.50	\$ 367.50	\$ -	\$ 367.50	\$ 951.50
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ 67.50	\$ 31,771.59
807	CFD 2005-1	\$ -	\$ -	\$ -	\$ -	\$ 808,940.54	\$ 791,216.61
	CITY	\$ 185,571.74	\$ 326,147.84	\$ 511,719.58	\$ -	\$ 17,877,714.74	\$ 19,958,371.71
200	HESPERIA FIRE DISTRICT	\$ -	\$ 1,078.00	\$ 1,078.00	\$ -	\$ 348,199.74	\$ 5,158,848.74
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ 6,790,888.41	\$ 295,806.66
	FIRE	\$ -	\$ 1,078.00	\$ 1,078.00	\$ -	\$ 7,139,088.15	\$ 5,454,655.40
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ 3,163.76	\$ -	\$ 3,163.76	\$ -	\$ 5,306,154.96	\$ 5,254,836.13
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ 323.24	\$ -	\$ 323.24	\$ -	\$ 426,569.15	\$ 425,241.63
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ 388.00	\$ -	\$ 388.00	\$ -	\$ 2,476,736.59	\$ 2,461,078.63
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ 4,005.00	\$ -
	SUCCESSOR AGENCY	\$ 3,875.00	\$ -	\$ 3,875.00	\$ -	\$ 8,213,465.70	\$ 8,141,156.39
370	HOUSING AUTHORITY	\$ 8,357.17	\$ 651.51	\$ 9,008.68	\$ -	\$ 86,098.56	\$ 40,608.36
	HOUSING AUTHORITY	\$ 8,357.17	\$ 651.51	\$ 9,008.68	\$ -	\$ 86,098.56	\$ 40,608.36
170	COMMUNITY DEVELOPMENT COMMISSION	\$ 550.00	\$ 1,715.12	\$ 2,265.12	\$ -	\$ 141,394.87	\$ 171,266.36
	COMMUNITY DEVELOPMENT COMMISSION	\$ 550.00	\$ 1,715.12	\$ 2,265.12	\$ -	\$ 141,394.87	\$ 171,266.36
700	WATER OPERATING	\$ 72,989.37	\$ 161,569.40	\$ 234,558.77	\$ 40,077.83	\$ 4,322,925.95	\$ 5,030,229.83
701	WATER CAPITAL	\$ 9,463.77	\$ 28,148.74	\$ 37,612.51	\$ -	\$ 3,111,745.09	\$ 130,290.94
710	SEWER OPERATING	\$ 2,143.30	\$ 1,991.65	\$ 4,134.95	\$ -	\$ 1,602,436.43	\$ 171,946.97
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 64,510.70	\$ -
	WATER	\$ 84,596.44	\$ 191,709.79	\$ 276,306.23	\$ 40,077.83	\$ 9,101,618.17	\$ 5,332,467.74
	ACCOUNTS PAYABLE TOTAL	\$ 282,950.35	\$ 521,302.26	\$ 804,252.61	\$ 40,077.83	\$ 42,559,380.19	\$ 39,098,525.96
REG. PAYROLL							
	City	\$ 258,551.39	\$ -	\$ 258,551.39	\$ -	\$ 2,615,581.03	\$ 2,496,584.40
	Housing Authority	\$ 2,490.90	\$ -	\$ 2,490.90	\$ -	\$ 24,638.66	\$ 43,677.85
	Community Development Commission	\$ 6,913.45	\$ -	\$ 6,913.45	\$ -	\$ 46,413.68	\$ 73,032.97
	Water	\$ 101,393.98	\$ -	\$ 101,393.98	\$ -	\$ 1,083,618.26	\$ 1,061,657.31
	PAYROLL TOTAL	\$ 369,349.72	\$ -	\$ 369,349.72	\$ -	\$ 3,770,251.63	\$ 3,674,952.53

* The year to date totals for this Warrant Report are for the 2018-19 fiscal year starting July 1, 2018.



DATE: January 8, 2019

TO: Chair and Board Members
City Council Advisory Committee

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Assistant to the City Manager
Dan Sousa, Environmental Programs Coordinator

SUBJECT: CivicPlus SSL Security Certificate

RECOMMENDED ACTION

It is recommended that the City Council increase the Council Authority with CivicPlus by \$500, for a revised not to exceed amount of \$62,100. This increase will allow for the payment of SSL certificate updates which CivicPlus has made to the City's website.

BACKGROUND

As part of the Google Chrome Version 68 update, Google will begin marking HTTP websites as "Not Secure." This update is part of Google's HTTPS by Default campaign to help website users understand that HTTP is not a secure connection. The City's website hosting vendor, CivicPlus, has been preparing for these updates to ensure that websites have a valid SSL certificate to affirm they offer a secure connection from their server to a user's web browser.

ISSUES/ANALYSIS

Approximately 48% of all global internet traffic takes place on Google's Chrome web browser. As such, by switching to HTTPS, Google has taken a significant step in ensuring that web browsing will transition to HTTPS as the industry norm.

Some of the benefits of moving to HTTPS by Default include:

- Alignment with the many industries that will be moving toward an HTTPS by default approach in 2018.
- Improved search engine optimization (SEO). For example, websites under the HTTPS protocol are placed higher in Google search rankings.
- Greater security increases user satisfaction. Users are more likely to browse longer and more frequently on the City's website because it utilizes a security certificate.

FISCAL IMPACT

Funds were included in the Fiscal Year 2018-19 budget and a \$500 amendment is requested.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENTS

1. None

City of Hesperia STAFF REPORT



DATE: January 8, 2019

TO: Mayor and Council Members
Chair and Board Members, Hesperia Housing Authority

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne M. Duke, Deputy Finance Director
George Pirsko, Senior Financial Analyst

SUBJECT: Audited Hesperia Housing Authority Financial Statements for Fiscal Year Ended June 30, 2018 and Housing Successor SB 341 Report

RECOMMENDED ACTION

It is recommended that the City Council and the Hesperia Housing Authority (HHA) Board receive and file the audited Hesperia Housing Authority - Component Unit Financial Statements for the Fiscal Year Ended June 30, 2018 and Housing Successor SB 341 Report.

BACKGROUND

State law requires city governments to be audited each fiscal year by an independent auditor. City governments that receive Federal funding in excess of \$300,000 in a fiscal year are also required by Federal law to be audited.

The State of California Health and Safety Code §34176.1(f) requires that the housing successor (HHA) shall conduct, and provide to its governing body, an independent financial audit of the Low and Moderate Income Housing Asset fund within six months after the end of each fiscal year. In addition, the housing successor shall provide to its governing body the SB 341 report, as a component of the HHA audit.

ISSUES/ANALYSIS

The Agency's independent auditor, White Nelson Diehl Evans LLP (WNDE) performed audit of the HHA for Fiscal Year 2017-18. The document that comprises the Financial Statements, commonly referred to as the Audit for the Authority, is the Hesperia Housing Authority – Component Unit Financial Statements – June 30, 2018.

Additional, on December 20, 2018, the HHA provided the Board with the audited financial statements and SB 341 Report, which satisfies the legal requirement set forth by the State, refer to attachment 3.

As in previous years, the Comprehensive Annual Financial Report (CAFR), which reflects the Citywide Financial Statements, Component Unit Financial Statements for the Fire Protection District, Community Development Commission, HHA, and Water District, as well as the Single Audit, will be formally presented to the City Council in March or early April of 2019.

FISCAL IMPACT

None.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. June 30, 2018 Component Unit Financial Statements for the Hesperia Housing Authority
2. SB 341 Housing Successor Report
3. December 20, 2018 memo to the Board of Directors

HESPERIA HOUSING AUTHORITY

COMPONENT UNIT FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

WITH REPORT ON AUDIT BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2018

June 30, 2018

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Hesperia Housing Authority
Hesperia, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hesperia Housing Authority (a component unit of the City of Hesperia) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hesperia Housing Authority as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules identified as Required Supplementary Information (RSI) in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

White Nelson Diehl Evans LLP

Carlsbad, California
December 18, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Hesperia Housing Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ending June 30, 2018. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

The Authority's net position decreased by 13% or approximately \$2.0 million from June 30, 2017. The decrease is due to selling two properties at a combined loss of \$1.9 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

REPORTING THE AUTHORITY AS A WHOLE

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of this year's activities?" The Government-Wide Statements – The Statement of Net Position and the Statement of Activities – report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting method, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *statement of net position* presents financial information on all of the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 7-8 of this report.

REPORTING THE AUTHORITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority uses a governmental fund to account for its operations.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 9-12 of this report.

Notes to the Financial Statements - The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-22 of this report.

THE HESPERIA HOUSING AUTHORITY AS A WHOLE

Our analysis focuses on the Condensed Statement of Net Position (Table 1) and Changes in Net Position (Table 2) of the Authority. As noted earlier, net position over time, may serve as a useful indicator of a government's financial position.

Table 1
Condensed Statement of Net Position

	2017	2018	Changes from 2017 to 2018	
			Amount	Percentage
Current and other assets	\$ 15,876,356	\$ 13,900,665	\$ (1,975,691)	-12%
Capital assets	4,420	3,101	(1,319)	-30%
Total assets	15,880,776	13,903,766	(1,977,010)	-12%
Total deferred outflow of resources	-	-	-	0%
Current liabilities	8,691	44,491	35,800	412%
Total liabilities	8,691	44,491	35,800	412%
Total deferred inflow of resources	-	-	-	0%
Net Position:				
Investment in capital assets	4,420	3,101	(1,319)	-30%
Restricted	15,867,665	13,856,174	(2,011,491)	-13%
Total Net Position	\$ 15,872,085	\$ 13,859,275	\$ (2,012,810)	-13%

The following is a brief explanation for the changes in Table 1 above for the fiscal year ending June 30, 2018:

- Current and other assets in the amount of \$13.9 million decreased by approximately \$2.0 million or 12% from the year ending June 30, 2017, which is due to selling two parcels of land held for resale at a loss.
- Due to depreciation, capital assets decreased during the year.
- Current liabilities totaled \$44,491 at June 30, 2018, which is an increase of \$35,800 and is primarily attributed to the timing of the payment of invoices.

AUTHORITY ACTIVITIES

As shown in Table 2, the Authority's expenses at June 30, 2018 totals \$2.2 million, which consists primarily of a \$1.9 million loss from the sale of two parcels of land held for resale, as well as salaries and benefits of approximately \$0.2 million. The Fiscal Year (FY) 2017-18 expenditures of \$2.2 million are \$3.0 million less than the FY 2016-17 expenditures of \$5.2 million. This \$3.0 million decrease is attributable to the loan of \$3.8 million to Eagle Hesperia 55 L.P. to construct a 96-unit affordable senior apartment complex during FY 2016-17.

Table 2
Changes in Net Position

	2017	2018	Changes from 2017 to 2018	
			Amount	Percentage
Revenues				
General revenues:				
Income from money and property	\$ 95,761	117,874	22,113	23%
Other	87,399	88,430	1,031	1%
Total revenues	183,160	206,304	23,144	13%
Expenses				
Development Services	5,260,229	2,219,114	(3,041,115)	-58%
Total expenses	5,260,229	2,219,114	(3,041,115)	-58%
Change in net position	(5,077,069)	(2,012,810)	3,064,259	-60%
Net position at July 1	20,949,154	15,872,085	(5,077,069)	-24%
Net position at June 30	\$ 15,872,085	\$ 13,859,275	\$ (2,012,810)	-13%

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

At year-end, the Authority's governmental funds reported combined fund balances of \$13.9 million.

- The fund balance of the Hesperia Housing Authority Fund is \$12.1 million, which is restricted for low and moderate income housing functions. The Fund balance has decreased by \$2.0 million from the June 30, 2017 fund balance of \$14.1 million. As mentioned, this decrease is due to the loss of land sales.
- The Victor Valley Economic Development Agency (VVEDA) Housing Authority Fund balance of \$1.7 million remains relatively unchanged from June 30, 2017. The primary reason is that

VVEDA funds must be utilized for low and moderate income housing functions in the VVEDA target area.

CAPITAL ASSETS

The capital assets of the Authority, as shown in Table 3, are those assets that are used in the performance of the Authority's functions. At June 30, 2018, capital assets, net of depreciation, of the governmental activities totaled \$3,101.

Table 3
Capital Assets at Year-end

	Balance at July 1, 2017				Balance at June 30, 2018
	Net of				Net of
	Accumulated			Current Year	Accumulated
	Depreciation	Increases	Decreases	Depreciation	Depreciation
Governmental Activities:					
Equipment and vehicles	\$ 4,420	\$ -	\$ -	\$ (1,319)	\$ 3,101
	<u>\$ 4,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,319)</u>	<u>\$ 3,101</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In Fiscal Year 2018-19, the Authority's budget anticipates expenditures of approximately \$0.3 million to maintain current operations. The expenditures are offset by anticipated revenue of \$0.2 million and use of reserves totaling \$0.1 million.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Finance Department, at the City of Hesperia, 9700 Seventh Avenue, Hesperia, California 92345.

HESPERIA HOUSING AUTHORITY

STATEMENT OF NET POSITION
June 30, 2018

ASSETS	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 4,747,804
Receivables:	
Accounts	215,010
Accrued interest	18,052
Land held for resale	8,911,584
Total Current Assets	13,892,450
Noncurrent Assets:	
Other Noncurrent Assets:	
Deposits	8,215
Notes receivable	22,004,494
Allowance for notes receivable	(22,004,494)
Total Other Noncurrent Assets	8,215
Capital assets:	
Equipment and vehicles	6,596
Less: Accumulated depreciation	(3,495)
Total Capital Assets	3,101
Total Noncurrent Assets	11,316
Total Assets	13,903,766
LIABILITIES	
Current liabilities:	
Accounts payable and other current liabilities	44,491
Total Current Liabilities	44,491
Total Liabilities	44,491
NET POSITION	
Investment in capital assets	3,101
Restricted for low income housing	13,856,174
Total Net Position	\$ 13,859,275

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Primary Government					
Governmental Activities:					
Development Services	\$2,219,114	\$ -	\$ -	\$ -	(2,219,114)
Total Governmental Activities	\$2,219,114	\$ -	\$ -	\$ -	(2,219,114)

General Revenues:

Income from money and property	117,874
Other	88,430
Total general revenues	206,304
Change In Net Position	(2,012,810)
Net position at the beginning of the year	15,872,085
Net position at the end of the year	\$ 13,859,275

See accompanying notes to financial statements.

HESPERIA HOUSING AUTHORITY**BALANCE SHEET**
June 30, 2018

	Hesperia Housing Authority	VVEDA Housing Authority	Total Housing Authority Funds
Assets			
Assets:			
Cash and cash equivalents	\$ 3,014,524	\$ 1,733,280	\$ 4,747,804
Accounts receivable	215,010	-	215,010
Accrued interest	11,471	6,581	18,052
Notes receivable	22,004,494	-	22,004,494
Allowance for notes receivable	(22,004,494)	-	(22,004,494)
Land held for resale	8,911,584	-	8,911,584
Total Assets	\$ 12,152,589	\$ 1,739,861	\$ 13,892,450
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable and other current liabilities	\$ 44,491	\$ -	\$ 44,491
Total Liabilities	44,491	-	44,491
Fund Balances:			
Restricted:			
Low income housing	12,108,098	1,739,861	13,847,959
Total Fund Balances	12,108,098	1,739,861	13,847,959
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,152,589	\$ 1,739,861	\$ 13,892,450

See accompanying notes to financial statements.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds			\$ 13,847,959
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.			
Cost	\$	6,596	
Less: Accumulated depreciation		<u>(3,495)</u>	3,101
Deposits with insurance providers to pay for long-term liabilities are not current financial resources to the governmental funds. These amounts are deferred and amortized in the Statement of Net Position.			<u>8,215</u>
Total Net Position			<u><u>\$ 13,859,275</u></u>

See accompanying notes to financial statements.

HESPERIA HOUSING AUTHORITY**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
For the Year Ended June 30, 2018

	Hesperia Housing Authority	VVEDA Housing Authority	Total Housing Authority Funds
Revenues:			
Use of money and property	\$ 96,350	\$ 21,524	\$ 117,874
Other revenues	88,430	-	88,430
Total Revenues	<u>184,780</u>	<u>21,524</u>	<u>206,304</u>
Expenditures:			
Current:			
Development services	<u>2,218,115</u>	<u>-</u>	<u>2,218,115</u>
Total Expenditures	<u>2,218,115</u>	<u>-</u>	<u>2,218,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,033,335)	21,524	(2,011,811)
Fund balances at beginning of period	<u>14,141,433</u>	<u>1,718,337</u>	<u>15,859,770</u>
Fund balances at end of year	<u>\$ 12,108,098</u>	<u>\$ 1,739,861</u>	<u>\$ 13,847,959</u>

See accompanying notes to financial statements.

HESPERIA HOUSING AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2018

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$ (2,011,811)
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Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and disposal exceeded capital outlays in the current period.

Depreciation expense	(1,319)
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Recording of long-term deposits are included in governmental activities in the government-wide statement of activities.

320

Change in net position of governmental activities	<u>\$ (2,012,810)</u>
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See accompanying notes to financial statements.

June 30, 2018

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting Entity:

The Hesperia Housing Authority (Authority), which is a subsidiary component unit of the City of Hesperia (City), was established on April 5, 2011 by Resolution No. 2011-022 of the City Council. The Hesperia Housing Authority was activated when the dissolution of the former Hesperia Community Redevelopment Agency occurred on February 1, 2012. The Authority develops, manages, and promotes programs and projects that preserve and improve the supply of affordable housing in the City for low and moderate income persons.

The Authority is an integral part of the reporting entity of the City. The accounts of the Authority have been included within the scope of the basic financial statements of the City because the City Council has financial accountability over the operations of the Authority. Only the accounts of the Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City. Upon completion, the financial statements of the City can be obtained at City Hall.

b. Basis of Presentation:

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Hesperia Housing Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Authority has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

b. Basis of Presentation (Continued):

Governmental Fund Financial Statements:

The accounting system of the Authority is organized and operated on the basis of two funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the Authority's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

The Authority's Governmental Fund Balances are comprised of the following component:

- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

In the governmental fund statements, when expenditures are incurred, the Authority uses the most restrictive funds first. The Authority would use the appropriate funds in the following order: committed, assigned, and lastly unassigned amounts.

The Authority has two major funds described below:

Hesperia Housing Authority Fund is used to account for Low and Moderate Housing activity. The fund balance is set aside to provide for future low and moderate income housing.

Victor Valley Economic Development Authority (VVEDA) Housing Authority Fund is used to account for Low and Moderate Housing activity within the VVEDA project area that is located within the boundaries of the City.

c. Measurement Focus:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements.

In the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the government are reported.

In the fund financial statements, all governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c. Measurement Focus (continued):

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as a fund asset. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

In the Statement of Net Position, the net position is classified in the following categories:

- Investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets.
- Restricted net position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net position – This amount is the net position that does not meet the definition of “investment in capital assets, net of related debt” or “restricted net position”.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

d. Basis of Accounting:

Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d. Basis of Accounting (continued):

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

e. New Accounting Pronouncements:

Current Year Standards:

- GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", effective for periods beginning after June 15, 2017, and did not impact the Authority.
- GASB Statement No. 81 - "Irrevocable Split-Interest Agreements", effective for periods beginning after December 15, 2016, and did not impact the Authority.
- GASB Statement No. 85 - "Omnibus 2017", effective for periods beginning after June 15, 2017, and did not impact the Authority.
- GASB Statement No. 86 - "Certain Debt Extinguishment Issues", effective for periods beginning after June 15, 2017, and did not impact the Authority.

Pending Accounting Standards:

GASB has issued the following statements which may impact the Authority's financial reporting requirements in the future:

- GASB Statement No. 83 - "Certain Asset Retirement Obligations", effective for periods beginning after June 15, 2018.
- GASB Statement No. 84 - "Fiduciary Activities", effective for periods beginning after December 15, 2018.
- GASB Statement No. 87 - "Leases", effective for periods beginning after December 15, 2019.
- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, effective for periods beginning after December 15, 2018.
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, effective for periods beginning after December 15, 2019.
- GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61, effective for periods beginning after December 15, 2018.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

f. Cash and Investments:

Investments are stated at fair value (quoted market price or best available estimate thereof, see Note 2).

g. Claims and Judgments:

When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the Authority records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2018, in the opinion of the Authority's Attorney, the Authority had no material unrecorded claims that would require loss provision in the financial statements, including losses for claims that are Incurred But Not Reported (IBNR). Small dollar claims and judgments are recorded as expenditures when paid.

The Authority participates in the self-insurance program of the City of Hesperia. Information relating to the self-insurance program can be found in the notes to the basic financial statements of the City of Hesperia.

h. Land Held for Resale:

Land held for resale is carried at the lower of cost or estimated realizable value.

i. Capital Assets:

Capital assets, which include land, buildings, building improvements, and equipment, are depreciated (with the exception of land) and are reported in the government-wide financial statements. Authority policy has set the capitalization threshold for reporting capital assets at \$5,000.

Capital assets have an estimated useful life greater than one year and are valued at historical cost or estimated cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of acquisition. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset. Land is not depreciated.

Buildings	30-50 Years
Improvements	20 Years
Machinery and Equipment	5-30 Years
Vehicles	8-20 Years

j. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Authority does not have any type of these items at June 30, 2018.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

j. Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any type of these items at June 30, 2018.

k. Receivables:

All accounts, taxes, and service receivables are shown net of an allowance for uncollectibles.

l. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Equity in Cash and Investment Pool of the City of Hesperia:

The Authority does not have a separate bank account; however, the Authority's cash and investments are maintained in an investment pool managed by the City. The Authority is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The Authority has not adopted an investment policy separate from that of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

Cash and Investments

Cash and cash equivalents at June 30, 2018 are classified in the financial statements as follows:

STATEMENT OF NET POSITION:

Current Assets:	<u>June 30, 2018</u>
Cash and cash equivalents	<u>\$ 4,747,804</u>
Total cash and investments	<u><u>\$ 4,747,804</u></u>

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

Investments Authorized by the California Government Code and the Authority's Investment Policy:

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	5 years	100%	None
U.S. & State or Local Agency Securities	5 years	100%	None
Banker's Acceptances	180 days	25%	5%
Commercial Paper	270 days	15%	None
Negotiable Certificates of Deposit	5 years	25%	None
Repurchase Agreements	1 year	20%	None
Local Agency Investment Fund (LAIF)	N/A	100%	None
Medium-Term Notes	5 years	30%	None
Mutual & Money Market Funds	90 days	20%	None
Collateralized Bank Deposits	5 years	10%	None
Investment Pools	N/A	30%	None
Municipal Bonds	5 years	10%	None

Disclosures Related to Interest Rate Risk, Credit Risk and Custodial Credit Risk and Fair Value Measurements:

The Authority's cash and cash equivalents are pooled with the City of Hesperia's cash and investments. Additional disclosures regarding the pooled investments related to interest rate risk, credit risk, custodial credit risk and fair value measurements are available in the City of Hesperia's Comprehensive Annual Financial Report.

3. CHANGES IN CAPITAL ASSETS:

A summary of changes in capital assets at June 30, 2018 is as follows:

	<u>Balance at June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2018</u>
Capital Assets being depreciated:				
Equipment and vehicles	\$ 6,596	\$ -	\$ -	\$ 6,596
Less accumulated depreciation for:				
Machinery and equipment	(2,176)	(1,319)		(3,495)
Total accumulated depreciation	(2,176)	(1,319)	-	(3,495)
Total capital assets being depreciated, net	4,420	(1,319)	-	3,101
Net capital assets	\$ 4,420	\$ (1,319)	\$ -	\$ 3,101

4. NOTES RECEIVABLE:

Notes receivable, totaling \$22.0 million at June 30, 2018 consists of loans provided for low and moderate income housing, with interest between one percent (1%) and three percent (3%) and maturity of fifty-five (55) years. Due to the terms of the notes, offsetting allowance for notes receivable of \$22.0 million has been established.

Notes receivable at June 30, 2018 include the following:

	Outstanding June 30, 2017	Additions	Deductions	Outstanding June 30, 2018
KDF VAH I, L.P.	\$ 3,091,602	\$ 29,000	\$ (7,540)	\$ 3,113,062
KDF Hesperia, L.P.	1,828,872	24,459	(13,565)	1,839,766
KDF Hesperia II, L.P.	2,486,316	28,102	-	2,514,418
PDDC San Remo Hesperia, L.P.	4,248,244	39,557	-	4,287,801
PDDC San Remo Hesperia II, L.P.	6,314,216	60,189	(108,722)	6,265,683
Eagle Hesperia 55, L.P.	3,907,124	76,640	-	3,983,764
Totals	<u>\$21,876,374</u>	<u>\$ 257,947</u>	<u>\$(129,827)</u>	<u>\$ 22,004,494</u>

A. KDF VAH I, L.P.:

In July 2006, the former Hesperia Community Redevelopment Agency (HCRA) entered into an Owner Participation Agreement (OPA) with KDF VAH I, L.P. (a California limited partnership) for the development, construction and operation of a 68-unit apartment complex of which certain units shall be available to very low income tenants, low income tenants, and moderate income tenants. Under the terms of the OPA, the HCRA loaned \$2,900,000 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than fifty-five years and shall bear interest at a rate of one percent (1%). The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. Accrued interest on the note through June 30, 2018 is \$213,062. The balance of the loan outstanding at June 30, 2018 was \$3,113,062. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

B. KDF Hesperia, L.P.:

In December 2005, the former HCRA entered into an OPA with KDF Hesperia, L.P. (a California limited partnership) for the development, construction and operation of a 110-unit apartment complex of which certain units shall be available to very low income tenants, low income tenants, and moderate income tenants. Under the terms of the OPA, the HCRA loaned \$1,250,000 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than fifty-five years and shall bear simple interest at a rate of one percent (1%). The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. On February 1, 2012, the Housing Authority issued a loan of \$398,589, with an interest rate of three percent (3%), to assist with converting the construction loan to a permanent loan. Accrued interest on the combined notes through June 30, 2018 is \$191,177. The balance of the loan outstanding at June 30, 2018 was \$1,839,766. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

4. NOTES RECEIVABLE (Continued):

C. KDF Hesperia II, L.P.:

In March, 2006, the former HCRA entered into an OPA with KDF Hesperia II, L.P. (a California limited partnership) for the development, construction and operation of a 72-unit apartment complex of which certain units shall be available to very low income tenants, low income tenants, and moderate income tenants. Under the terms of the OPA, the HCRA loaned \$2,000,000 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than fifty-five years and shall bear interest at a rate of one percent (1%). The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. On February 1, 2012, the Authority issued a loan of \$270,070, with an interest rate of three percent (3%), to assist with converting the construction loan to a permanent loan. Accrued interest on the combined notes through June 30, 2018 is \$244,348. The balance of the loan outstanding at June 30, 2018 was \$2,514,418. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

D. PDDC San Remo Hesperia, L.P.:

On November 2007, the former HCRA entered into an OPA with PDDC San Remo Hesperia, L.P. (Palm Desert Development Company, a California limited partnership) for the development, construction, and operation of a 65-unit apartment complex of which certain units shall be available to very low-income tenants and low-income tenants. Under the terms of the OPA, the HCRA loaned \$3,955,711 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than fifty-five years and shall bear interest at a rate of one percent (1%). The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. Accrued interest on the note through June 30, 2018 is \$332,090. The balance of the loan outstanding at June 30, 2018 was \$4,287,801. Payments on the loan are based on a percentage of the Partnership's positive cash flow. Any unpaid balance is due and payable at the maturity date.

E. PDDC San Remo Hesperia II, L.P.:

On October 5, 2010, the former HCRA entered into an OPA with PDDC San Remo Hesperia II, L.P. (Palm Desert Development Company, a California limited partnership) for the development, construction, and operation of a 58-unit apartment complex of which certain units shall be available to very low-income tenants and low-income tenants. Under the terms of the OPA, the HCRA loaned \$6,613,620 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of not more than fifty-five years and shall bear interest at a rate of one percent (1%). The agreement is secured by a deed of trust on the property. Due to the dissolution of redevelopment agencies by AB 26x1, the Authority assumed responsibility of the HCRA notes receivable. Accrued interest on the note through June 30, 2018 is \$485,597 and payments received are \$833,534. The balance of the loan outstanding at June 30, 2018 was \$6,265,683.

4. NOTES RECEIVABLE (Continued):**F. Eagle Hesperia 55, L.P.:**

On February 16, 2016, the former HCRA entered into an OPA with Eagle Hesperia 55 L.P. (a California limited partnership) for the development, construction, and operation of a 96-unit apartment complex of which certain units shall be available to low income senior citizens. Under the terms of the OPA, the Authority loaned \$3,831,975 of its low and moderate income housing funds toward the actual cost for the development, construction, and operation of the project. The loan is for a term of fifty-five years, with the option of extending the term up to twenty-five years; the option must be exercised between the fifty-third year and fifty-fourth year. The loan shall bear interest at a rate of two percent (2%). The agreement is secured by a deed of trust on the property. Accrued interest on the note through June 30, 2018 is \$151,789. The balance of the loan outstanding at June 30, 2018 was \$3,983,764. Any unpaid balance is due and payable at the maturity date.

5. SELF-INSURANCE RISK POOL:

The Authority, through the City of Hesperia, is a member of the Public Entity Risk Management Authority (PERMA), a joint powers authority for the purpose of achieving savings on insurance premiums. Disclosures regarding these policies are available in the City of Hesperia's Comprehensive Annual Financial Report.

6. PENSION PLAN AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS:

The employees of the Authority participate in the defined benefit pension plan and the other post employment benefit plan of the City of Hesperia. Disclosures regarding these plans are available in the City of Hesperia's Comprehensive Annual Financial Report.

7. SUBSEQUENT EVENTS:

Events occurring after June 30, 2018 have been evaluated for possible adjustments to the financial statements or disclosure as of December 18, 2018, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

HESPERIA HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HESPERIA HOUSING AUTHORITY SPECIAL REVENUE FUND
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Fund Balance, July 1	<u>\$ 14,141,433</u>	<u>\$ 14,141,433</u>	<u>\$ 14,141,433</u>	<u>\$ -</u>
Resources (Inflows):				
Use of money and property	78,301	78,301	96,350	18,049
Other Revenues	<u>102,500</u>	<u>102,500</u>	<u>88,430</u>	<u>(14,070)</u>
Amount Available for Appropriations	<u>180,801</u>	<u>180,801</u>	<u>184,780</u>	<u>3,979</u>
Charges to Appropriations (Outflows):				
Current:				
Development Services	<u>443,982</u>	<u>2,218,115</u>	<u>2,218,115</u>	<u>-</u>
Total Charges to Appropriations	<u>443,982</u>	<u>2,218,115</u>	<u>2,218,115</u>	<u>-</u>
Excess of Resources Over/(Under)				
Charges to Appropriations	<u>(263,181)</u>	<u>(2,037,314)</u>	<u>(2,033,335)</u>	<u>3,979</u>
Fund Balance, June 30	<u><u>\$ 13,878,252</u></u>	<u><u>\$ 12,104,119</u></u>	<u><u>\$ 12,108,098</u></u>	<u><u>\$ 3,979</u></u>

See accompanying note to required supplementary information.

HESPERIA HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
VVEDA HOUSING AUTHORITY SPECIAL REVENUE FUND
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Fund Balance, July 1	<u>\$ 1,718,337</u>	<u>\$ 1,718,337</u>	<u>\$ 1,718,337</u>	<u>\$ -</u>
Resources (Inflows):				
Use of money and property	<u>17,100</u>	<u>17,100</u>	<u>21,524</u>	<u>4,424</u>
Amount Available For Appropriations	<u>17,100</u>	<u>17,100</u>	<u>21,524</u>	<u>4,424</u>
Charges to Appropriations (Outflows):				
Current:				
Development Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Resources Over (Under) Charges to Appropriations	<u>17,100</u>	<u>17,100</u>	<u>21,524</u>	<u>4,424</u>
Fund Balance, June 30	<u><u>\$ 1,735,437</u></u>	<u><u>\$ 1,735,437</u></u>	<u><u>\$ 1,739,861</u></u>	<u><u>\$ 4,424</u></u>

See accompanying note to required supplementary information.

June 30, 2018

1. BUDGETARY DATA:

In conjunction with the City of Hesperia's budgeting process, the Authority adopts annual operating budgets for the governmental funds each year. The Authority's Board approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. The Board conducts public hearings prior to its adoption. Supplemental appropriations, when required during the period, are also approved by the Board. Increases in annual expenditures require approval by the Board. Interdepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the fund level for each fund. At fiscal year end, all operating budget appropriations lapse. However, encumbrances at year end are reported as reservations of fund balance. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.

HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2017-18
PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE
HESPERIA HOUSING AUTHORITY

This Housing Successor Annual Report (Report) regarding the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and is dated as of December 20, 2018. This Report sets forth certain details of the Hesperia Housing Authority (Housing Successor) activities during Fiscal Year 2017-18 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund for Fiscal Year 2017-18 (Fiscal Year), as a part of the 2018 Comprehensive Annual Financial Report, as prepared by White Nelson Diehl Evans, LLP (Audit), which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I. through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law.

- I. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposits for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. **Ending Balance of LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.
- IV. **Statutory Value of Assets Owned by Housing Successor:** This section provides the stator value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.
- V. **Description of Transfers:** This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
- VI. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.

- VII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.
- VIII. **Description of Outstanding Obligations under Section 33413:** This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the housing Successor's plans to meet unmet obligations, if any.
- IX. **Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2015 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deeds-restricted rental housing assisted individually or jointly by the housing successor, its former Redevelopment Agency and its host jurisdiction within the same time period. For this Report the ten-year period reviewed is July 1, 2007 to June 30, 2018.
- XI. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.

This Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the City's website www.cityofhesperia.us.

I. **AMOUNT DEPOSITED INTO LMIHAF**

A total of \$184,780 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$0 was held for items listed on the ROPS,

II. **ENDING BALANCE OF LMIHAF**

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$12,108,098 of which \$0 is held for items listed on the ROPS.

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

The following is a description of expenditures from the LNIHAF by category:

	Fiscal Year
Monitoring & Administration Expenditures	\$ 2,218,115
Homeless Prevention and Rapid Rehousing	
Services Expenditures	0
Housing Development Expenditures	
Expenditures on Low Income Units	0
Expenditures on Very-Low Income Units	0
Expenditures on Extremely-Low Income Units	0
Total Housing Development Expenditures	0
ADDITIONAL EXPENSE:	
Loss on land held for resale	0
Total LMIHAF Expenditures in Fiscal Year	\$ 2,218,115

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the housing Successor.

	As of End of Fiscal Year
Statutory Value of Real Property Owned by Housing Authority	\$ -
Value of Loans and Grants Receivable	22,004,494
Total Value of Housing Successor Assets	\$ 22,004,494

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset. In furtherance thereof, the Housing Successor does not have any real property.

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency's implementation Plans are posted on the City's website at

Inclusionary/Production Housing: According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by household earning 30% or less of the AMI. If the housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required until 2019 for the 2014-2019 period.

It should be noted that the City is currently working with a non-profit organization to explore new affordable rental housing development with emphasis on veteran housing.

For informational purposes, the following provides the Housing Successor's Extremely-Low Income Housing Test as of FY 2014-15.

Extremely-Low Income Test	FY 2017-18
LMIHAF Spent on Extremely-Low Income Households	\$0
Total LMIHAF (Five Year Total)	0
Extremely-Low Income Test	0%

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of July 1, 2008 and June 30, 2018.

Senior Housing Test	July 1, 2008 and June 30, 2018
# of Assisted Senior Rental Units	164
# of Total Assisted Rental Units	469
Senior Housing Percentage	35.0%

XI. EXCESS SURPLUS TEST

The LMIHAF has a \$0 Excess Surplus. The Housing Successor has three fiscal years to encumber, or transfer, the excess surplus, if any. The Housing Successor has not had an Excess Surplus since February 1, 2012.



ATTACHMENT 3

DATE: December 20, 2018
TO: Chair and Board Members, Hesperia Housing Authority
FROM: Casey Brooksher, Director of Finance 
CC: Nils Bentsen, City Manager
SUBJECT: June 30, 2018 Financial Statements

Attached to this memo is the audited Hesperia Housing Authority (HHA) financial report for June 30, 2018 and the Housing Successor SB 341 report. Both of these items are required by California Health and Safety Code §34176.1 to be provided to the Board of Directors no later than December 31, 2018. While the HHA financial report details the financial health of the HHA, the purpose of the Housing Successor SB 341 report is to provide the governing body of the HHA an annual report on the housing assets and activities.

Should you have any questions or require any additional information, please feel welcome to contact me.



DATE: January 8, 2019
TO: Mayor and Council Members
FROM: Nils Bentsen, City Manager
BY: Michael Blay, Assistant City Manager
Jamie Carone, Administrative Analyst
SUBJECT: Parcel Map No. 19965

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2019-001 approving Parcel Map No. 19965 to create two parcels from 2.7 gross acres within the Limited Agriculture (A1) zone located on the south side of Poplar Street 250 feet east of Cottonwood Avenue (Applicant: Luis Fragoso; APN: 0409-052-05).

BACKGROUND

On June 13, 2018, the Development Review Committee approved Tentative Parcel Map No. 19965 to create two parcels from 2.7 gross acres within the Limited Agriculture (A1) zone located on the south side of Poplar Street 250 feet east of Cottonwood Avenue (APN: 0409-052-05).

Staff has reviewed the map and determined that it complies with all General Plan and zoning regulations, all required conditions of approval, and with all local ordinances related to the creation of these parcels.

ISSUES/ANALYSIS

There are no issues identified with this item.

FISCAL IMPACT

There are no significant fiscal impacts to the City related to this action.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2019-001
2. Parcel Map No. 19965

RESOLUTION NO. 2019-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING PARCEL MAP NO. 19965 TO CREATE TWO PARCELS FROM 2.7 GROSS ACRES WITHIN THE LIMITED AGRICULTURE (A1) ZONE LOCATED ON THE SOUTH SIDE OF POPLAR STREET 250 FEET EAST OF COTTONWOOD AVENUE (APPLICANT: LUIS FRAGOSO; APN: 0409-052-05).

WHEREAS, On June 13, 2018, the Development Review Committee approved Tentative Parcel Map No. 19965 to create two parcels from 2.7 gross acres within the Limited Agriculture (A1) zone located on the south side of Poplar Street 250 feet east of Cottonwood Avenue (APN: 0409-052-05);

WHEREAS, Parcel Map No. 19965 is to create two parcels from 2.7 gross acres within the Limited Agriculture (A1) zone located on the south side of Poplar Street 250 feet east of Cottonwood Avenue; and

WHEREAS, all legal prerequisites to the adoption of this resolution have occurred.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AS FOLLOWS:

Section 1. Parcel Map No. 19965 is hereby approved and the City Clerk is authorized to present same to the County Recorder to be filed for record.

Section 2. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 8th day of January, 2019.

Larry Bird, Mayor

ATTEST:

Melinda Sayre, City Clerk

PARCEL MAP 19965

SHEET 1 OF 2 SHEETS

IN THE CITY OF HESPERIA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,
BEING A SUBDIVISION OF LOT 187 OF TRACT NO. 4957 AS RECORDED IN
BOOK 60 OF MAPS, PAGES 73 THROUGH 76, RECORDS OF SAID COUNTY

MERRELL JOHNSON COMPANIES
JULY 2018

OWNER'S STATEMENT:

WE HEREBY STATE WE ARE ALL AND THE ONLY PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND SUBDIVIDED AS SHOWN ON THIS MAP AS REQUIRED BY SECTION 68445 (b) OF THE SUBDIVISION MAP ACT, AND THAT WE CONSENT TO THE PREPARATION AND RECORDATION OF THIS PARCEL MAP.

Steve T. Fragoso
STEVE T. FRAGOSO

Luis Fragoso
LUIS FRAGOSO

Oscar D. Guzman
OSCAR D. GUZMAN

NOTARY ACKNOWLEDGMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF San Bernardino

ON December 10, 2018, BEFORE ME Cheri L. Bradley
A NOTARY PUBLIC, PERSONALLY APPEARED Luis Fragoso
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

Cheri L. Bradley
NAME PRINTED

Cheri L. Bradley
SIGNATURE

MY COMMISSION EXPIRES: 04-10-21 COMMISSION NO.: 2190865

MY PRINCIPAL PLACE OF BUSINESS IS IN San Bernardino COUNTY.

NOTARY ACKNOWLEDGMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF San Bernardino

ON December 10, 2018, BEFORE ME Cheri L. Bradley
A NOTARY PUBLIC, PERSONALLY APPEARED Oscar D. Guzman
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

Cheri L. Bradley
NAME PRINTED

Cheri L. Bradley
SIGNATURE

MY COMMISSION EXPIRES: 04-10-21 COMMISSION NO.: 2190865

MY PRINCIPAL PLACE OF BUSINESS IS IN San Bernardino COUNTY.

NOTARY ACKNOWLEDGMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF San Bernardino

ON December 10, 2018, BEFORE ME Cheri L. Bradley
A NOTARY PUBLIC, PERSONALLY APPEARED Steve T. Fragoso
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

Cheri L. Bradley
NAME PRINTED

Cheri L. Bradley
SIGNATURE

MY COMMISSION EXPIRES: 04-10-21 COMMISSION NO.: 2190865

MY PRINCIPAL PLACE OF BUSINESS IS IN San Bernardino COUNTY.

BOARD OF SUPERVISORS' CERTIFICATE:

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ _____ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, CONDITIONED UPON PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES WHICH AT THE TIME OF FILING THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE AND THAT THE SUBDIVIDER HAS FILED WITH ME A CERTIFICATE BY THE PROPER OFFICER GIVING HIS ESTIMATE OF THE AMOUNT OF SAID TAXES AND SPECIAL ASSESSMENTS, AND SAID BOND IS HEREBY ACCEPTED.

DATED: _____

LAURA H. WELCH
CLERK OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO

BY: _____ DEPUTY

AUDITOR'S CERTIFICATE:

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE REAL PROPERTY SHOWN UPON THIS MAP FOR UNPAID STATE, COUNTY, MUNICIPAL, LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS NOT YET PAYABLE, ESTIMATED TO BE \$ _____.

DATED: _____

LARRY WALKER
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
COUNTY OF SAN BERNARDINO

BY: _____ DEPUTY

SIGNATURE OMISSION:

THE SIGNATURES OF THE CALIFORNIA ELECTRIC COMPANY, THE OWNERS OF AN EASEMENT FOR POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED AS BOOK 3857, PAGE 225, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 68438 OF THE SUBDIVISION MAP ACT. ITS INTEREST CANNOT RIPEN INTO A FEE. SAID RIGHTS AND RESERVATIONS COVER THE ENTIRE AREA BEING SUBDIVIDED.

SURVEYOR'S STATEMENT:

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF LUIS FRAGOSO IN JULY 2018. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY. ALL MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR WILL BE SET IN SUCH POSITIONS ON OR BEFORE JULY 2020, IN COMPLIANCE WITH SECTIONS 66495 AND 66496 OF THE SUBDIVISION MAP ACT AND WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATED: 12/10/18



Craig Johnson
CRAG JOHNSON
LS. 7592

CITY SURVEYOR'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP, THAT THE SUBDIVISION SHOWN THEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, IF REQUIRED, AND ANY APPROVED ALTERATIONS THEREOF, AND THAT ALL THE PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES HAVE BEEN COMPLIED WITH, AND I AM SATISFIED THAT THE MAP IS TECHNICALLY CORRECT.

DATED: _____



Michael Thornton
MICHAEL THORNTON
L.S. 8867 AND R.C.E. 44228

CITY COUNCIL'S ACCEPTANCE CERTIFICATE:

THE UNDERSIGNED OFFICER ON BEHALF OF THE CITY COUNCIL PURSUANT TO AUTHORITY CONFERRED BY TITLE 17 OF THE CITY OF HESPERIA MUNICIPAL CODE, HEREBY APPROVES THIS MAP.

DATED: _____

Melinda Sayre
MELINDA SAYRE
CITY CLERK

SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER _____

THIS _____ DAY OF _____, 20____ AT _____ M. IN

BOOK _____ OF RECORDS OF SURVEY AT PAGE _____

AT THE REQUEST OF _____

IN THE AMOUNT OF \$ _____

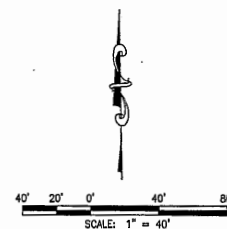
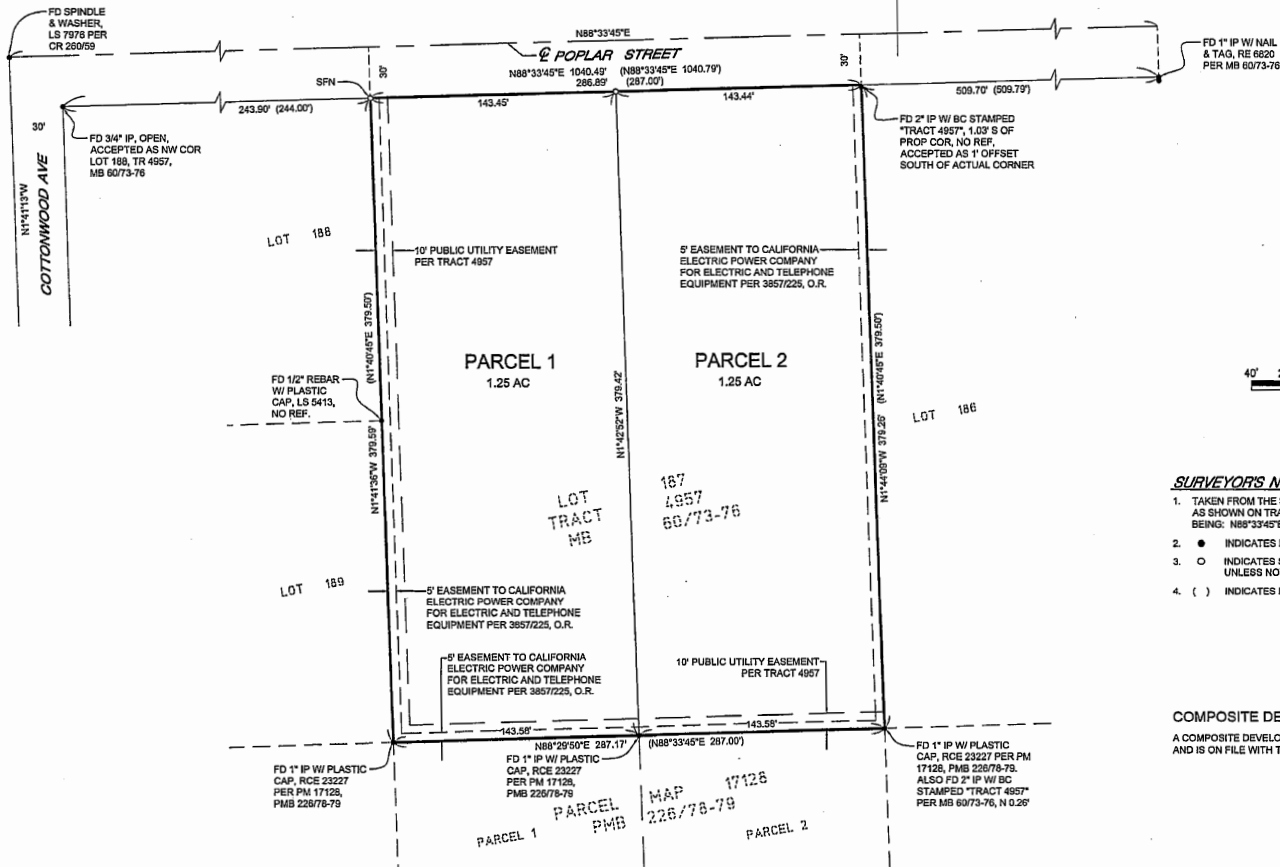
BOB DUTTON
ASSESSOR-RECORDER
COUNTY OF SAN BERNARDINO

BY: _____
DEPUTY RECORDER

PARCEL MAP 19965

SHEET 2 OF 2 SHEETS

IN THE CITY OF HESPERIA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,
BEING A SUBDIVISION OF LOT 187 OF TRACT NO. 4957 AS RECORDED IN
BOOK 60 OF MAPS, PAGES 73 THROUGH 76, RECORDS OF SAID COUNTY
MERRELL JOHNSON COMPANIES
JULY 2018



SURVEYOR'S NOTES

1. TAKEN FROM THE SOUTHERLY RIGHT OF WAY OF POPLAR STREET AS SHOWN ON TRACT NO. 4957, M.B. 60/73-76 BEING: N88°33'45"E
2. ● INDICATES MONUMENTS FOUND AS NOTED.
3. ○ INDICATES SET 1" IRON PIPE WITH BRASS TAG STAMPED L.S. 7662, UNLESS NOTED OTHERWISE.
4. { } INDICATES RECORD INFORMATION PER TRACT NO. 4957, M.B. 60/73-76

COMPOSITE DEVELOPMENT PLAN NOTE:

A COMPOSITE DEVELOPMENT PLAN (C.D.P.) HAS BEEN PREPARED FOR THIS MAP AND IS ON FILE WITH THE CITY OF HESPERIA PLANNING DEPARTMENT.

PARCEL MAP 19965

IN THE CITY OF HESPERIA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,
BEING A SUBDIVISION OF LOT 187 OF TRACT NO. 4957 AS RECORDED IN
BOOK 60 OF MAPS, PAGES 73 THROUGH 76, RECORDS OF SAID COUNTY

SURVEYOR'S NOTES

- TAKEN FROM THE SOUTHERLY RIGHT OF WAY OF POPLAR STREET AS SHOWN ON TRACT NO. 4957, M.B. 6073-76 BEING: N88°33'45"E
- INDICATES MONUMENTS FOUND AS NOTED.
- INDICATES SET 1" IRON PIPE WITH BRASS TAG STAMPED L.S. 7562, UNLESS NOTED OTHERWISE.
- () INDICATES RECORD INFORMATION PER TRACT NO. 4957, M.B. 6073-76

SURVEYOR'S STATEMENT:

NOTES ON THIS PLAN ARE FOR INFORMATIONAL PURPOSES, TO INDICATE CONDITION AND CRITERIA THAT EXIST ON THIS PROPERTY THAT WERE KNOWN AND IDENTIFIED AS OF JULY 2018 AND IS NOT INTENDED TO AFFECT RECORD TITLE INTERESTS. THIS INFORMATION IS DERIVED FROM PUBLIC RECORDS OR REPORTS AND THE UNDERSIGNED IS NOT RESPONSIBLE FOR THE CORRECTNESS OR SUFFICIENCY OF THOSE RECORDS AND REPORTS.

DATED: 12/11/18

CRAIG JOHNSON
L.S. 7562

STATE OF CALIFORNIA

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City of Hesperia STAFF REPORT



DATE: January 8, 2019
TO: Mayor and City Council Members
FROM: Nils Bentsen, City Manager
BY: Melinda Sayre, City Clerk
SUBJECT: City Council Appointments to Outside Agencies

RECOMMENDED ACTION

It is recommended that the City Council follow past practice and appoint liaisons (both primary and alternate) to various outside agencies for a one year period to commence in January 2019.

BACKGROUND

Historically, the Council has reviewed the liaison assignments (both primary and alternate) to various outside agencies and City advisory committees on an annual basis. The City Council currently has representatives on the following:

League of California Cities *(Annual Conference October 16-18, 2019 Long Beach)*

The League of California Cities is an association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence state policy decisions that affect cities.

2018 Primary/Alternate Representatives: Holland/Bird

League of California Cities – Desert Mountain Division *(Bi-monthly, 3rd Friday, no compensation)*

The Committee participates in policy development and carries out grassroots activities in support of the League's legislative, regulatory, and ballot measure goals.

League of California Cities Public Safety Committee & Environmental Quality Committee-Bill Holland *(Division Appointment)*

2018 Primary/Alternate Representatives: Holland/Bird

Mojave Desert Air Quality Management District (MDAQMD) *(Monthly, 4th Monday, 10 a.m., \$100/meeting compensation, requires Form 700 filing)*

MDAQMD is a public agency that provides citizens with important information regarding the Mojave Desert's past and current quality of air. Their mission is to enforce the Clean Air Act, and attain and maintain a healthful environment while supporting strong and sustainable economic growth.

2018 Primary/Alternate Representatives: Russ/Swanson

San Bernardino County Transportation Authority (SBCTA) (Formerly SANBAG) *(Monthly, 1st Wednesday, 10:00 a.m., \$200/meeting compensation, requires Form 700 filing)*

SBCTA is the council of governments and transportation planning agency for San Bernardino County responsible for cooperative regional planning and furthering an efficient multi-modal transportation system countywide.

As the County Transportation Commission, SBCTA supports freeway construction projects, regional and local road improvements, train and bus transportation, railroad crossings, call boxes, ridesharing, congestion management efforts and long-term planning studies. SBCTA administers Measure I, the half-cent transportation sales tax approved by county voters in 1989 and reauthorized in 2007.

2018 Primary/Alternate Representatives: Holland/Swanson

San Bernardino County Transportation Authority (SBCTA) (Formerly SANBAG) Mountain Desert Measure I Committee *(Monthly, 3rd Friday, 9 a.m., \$100/meeting compensation, requires Form 700 filing)*

The Committee reviews the Measure I Mountain / Desert Region Expenditure Plan and makes policy recommendations to the SBCTA Board.

2018 Primary/Alternate Representatives: Holland/Swanson

San Bernardino County Solid Waste Task Force *(Semi-Annual April & October, no compensation)*

The Task Force carries out responsibilities mandated by the California Integrated Waste Management Act (1989) and makes recommendations to the County on other solid waste related matters. For the last year, the City Manager has designated the alternate representative as a City staff member.

2018 Primary/Alternate Representatives: Russ/Julie Ryan (staff appointee)

Southern California Association of Governments(SCAG)*(Annual Regional Conference and General Assembly May 1 – 3, 2019 Palm Desert)*

SCAG is a Joint Powers Authority, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura) and 191 cities in an area covering more than 38,000 square miles. The agency develops long-range regional transportation plans including growth forecast components, regional transportation improvement programs; regional housing needs allocations and a portion of the South Coast Air Quality management plans.

2018 Primary/Alternate Representatives: None. Past practice has been that a representative was appointed if it was determined that a member would be attending the annual conference and voting on behalf of the City at the General Assembly.

Victor Valley Economic Development Authority (VVEDA) *(3rd Wed. in Jan., March, Sept., 9:30 a.m., \$50/meeting compensation by request, requires Form 700 filing)*

VVEDA is a joint powers authority, and was established for the purpose of providing economic development in and around the former George Air Force Base. Five jurisdictions oversee the

economic development of the area, which include: the cities of Victorville, Hesperia and Adelanto, the Town of Apple Valley and the County of San Bernardino. VVEDA totals approximately 60,000 acres and is administered by the City of Victorville. The unincorporated portion of VVEDA is approximately 16,000 acres. VVEDA is currently in its eighth amendment, in which approximately 30,236 acres are being added.

2018 Primary/Alternate Representatives: Swanson/Russ

Victor Valley Transit Authority (VVTa) *(Monthly, 3rd Monday, 9:30 a.m., \$125/meeting compensation, requires Form 700 filing)*

VVTa operates local fixed-route, county commuter, and ADA complementary paratransit bus services in the Victor Valley area. It has a maintenance facility located in Hesperia. VVTa was established through a Joint Powers Authority in 1991. The JPA includes the five cities of Adelanto, Apple Valley, Barstow, Hesperia and Victorville and the certain unincorporated portions of the County of San Bernardino.

2018 Primary/Alternate Representatives: Bird/Swanson

Victor Valley Wastewater Reclamation Authority (VWRA) *(Monthly, 3rd Thursday, 7:30 a.m., \$100/meeting compensation, requires Form 700 filing)*

VWRA was originally formed by the Mojave Water Agency to help meet the requirements of the federal Clean Water Act and provide wastewater treatment for the growing area. The original treatment plant, with supporting pipelines and infrastructure, began operating in 1981, providing tertiary level treatment for up to 4.5 million gallons per day (MGD). The VWRA is now a joint powers authority and public agency of the state of California and now treats approximately 14 MGD of wastewater.

2018 Primary/Alternate Representatives: Bird/Russ

Hesperia Chamber of Commerce *(Weekly Coffee, Fridays, 7:15 a.m..; Monthly, Luncheon, 3rd Monday, noon, no compensation)*

The Chamber is an independent organization that represents the interests of business to legislators, provides a variety of services to businesses, and promotes positive community development. The objective is to promote the common economic interest of the businesses serving the Hesperia Community.

2018 Primary/Alternate non-voting liaison: Russ

Hesperia Chamber of Commerce 2034 Committee *(Schedule TBD)*

The Chamber coordinated the Hesperia 2034 Committee to develop community goals for the City of Hesperia through surveys and outreach efforts. The goal is to receive community input on ways the City can build a thriving community for future generations to live and work locally.

2018 Representative: Bird/ Rachel Molina

Tri-Agency Committee *(Monthly, 3rd Wednesday, 3:30 p.m., no compensation)*

The Tri-Agency Committee is comprised of representatives from the City of Hesperia, Hesperia Recreation and Park District and the Hesperia Unified School District and has been meeting

since 1995 to discuss issues relating to the three agencies and the community. No primary or alternate roles.

2018 Co-Representatives (No Primary/Alternate): Bird/Swanson

City Council Advisory Committee *(2nd Wednesday, 6:00 p.m., Jan, Apr, Jul, Oct, no compensation)*

The City Council Advisory Committee is an advisory resource and as directed by the City Council and may review the Capital Improvement Project Plan (CIP) and provides recommendations to the Council regarding the use of Community Development Block Grant (CDBG) funds and other applicable financing programs. No alternate role.

2018 Liaison (No Primary/Alternate): Swanson

Public Safety Advisory Committee *(Annual meeting in January, 2nd Tuesday, 6:00 p.m., no compensation)*

The Public Safety Advisory Committee is an advisory resource and reviews public safety and emergency preparedness related items as assigned by the City Council and provides recommendations in an advisory capacity. No alternate role.

2018 Liaison Primary/Alternate: Bird/Swanson

Development Review Committee *(Weekly/Biweekly Pre-DRC every Thursday, 9:30 a.m., DRC every other Wednesday, 10:00 a.m., no compensation)*

The DRC meetings are an administrative review and recommendation by City staff on proposed projects prior to the projects review by the Planning Commission and City Council.

2018 Representative: Primary: Russ/ Brosowske

Alternates: All other council members

ISSUES/ANALYSIS

Individual City Council appointments are designed to help facilitate a better flow of information between the City Council, various outside agencies and staff. The recommended action follows past practice and allows an opportunity for reassignments as needed.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENTS

1. 2018 Appointment Summary



City of Hesperia

2018 City Council Outside Agency & Committee Appointments

Agency/Committee Name	Representatives	Regular Meeting Schedule	Location
League of California Cities(LOCC)	Primary – Bill Holland Alternate – Larry Bird	Annual Conference, Long Beach September 12-14, 2018	League of California Cities 1400 K Street, Suite 400, Sacramento 95814, 916.658.8200 – 916.658.8240 (fax)
LOCC Inland Empire & Desert Mountain Divisions	Primary – Bill Holland Alternate – Larry Bird	3 rd Fri bi-monthly at 10:00 a.m.	Jennifer Heim - Jackson, Rep. 760-240-7000 ext. 7054
LOCC Public Safety Committee (Div. President appt)	Bill Holland	1/19, 3/30, 6/8 @ 10:00 a.m.	Ontario and Sacramento
LOCC Environ. Quality Committee (Div. Pres appt)	TBD	1/20, 3/31, 6/9 @ 10:00 a.m.	Ontario and Sacramento
Mojave Desert Air Quality Management District (MDAQMD) (700 filers) (\$100/meeting – can request mileage)	Primary – Paul Russ Alternate – Rebekah Swanson	Monthly, 4 th Monday, 10:00 a.m.	14306 Park Ave., VV Deanna Hernandez, Clerk, 760.245.1661 X 5040 dhernandez@mdaqmd.ca.gov
San Bernardino County Transportation Authority (SBCTA) (formerly SANBAG) Board of Directors (700 filers) (\$100/meeting)	Primary – Bill Holland Alternate – Rebekah Swanson	Monthly, 1 st Wednesday, 10:00 a.m.	1170 W Third St, 1 st Floor Lobby Board Room, San Bernardino 92410 Vicki Watson, Clerk, 909.884.8276, vwatson@gosbcta.com
San Bernardino Associated Governments (DBA SBCOG) Board of Directors (700 filers) (\$100/meeting)	Primary – Bill Holland Alternate – Rebekah Swanson	Monthly, 1st Wednesday, 10:00 a.m.	1170 W Third St, 1 st Floor Lobby Board Room, San Bernardino 92410 Vicki Watson, Clerk, 909.884.8276, vwatson@gosbcta.com
SBCTA Board Metro Valley Study Session (\$100/meeting)	Primary – Bill Holland Alternate – Rebekah Swanson	Monthly, 2nd Thursday, following the Board of Directors meeting, 9:30 a.m.	1170 W Third St, 1 st Floor Lobby Board Room, San Bernardino 92410 Vicki Watson, Clerk, 909.884.8276, vwatson@gosbcta.com
San Bernardino County Transportation Authority (SBCTA) (formerly SANBAG)– Mountain/Desert Policy Committee (700 filers)(\$100/meeting)	Primary – Bill Holland Alternate – Rebekah Swanson	Monthly, 3 rd Friday, 9:30 a.m.	Mojave Desert Air Quality Management District 14306 Park Avenue, Victorville, 92392
SBCTA General Policy	Bill Holland	Monthly, 2 nd Wednesday, 9:00 a.m. Location: SBCTA Lobby	Mojave Desert Air Quality Management District 14306 Park Avenue, Victorville, 92392 Andrea Zureick 909-884-8276 azureick@gosbcta.com Diane Greve 909-884-8276 dgreve@gosbcta.com
San Bernardino County Solid Waste Task Force (no compensation)	Primary – Paul Russ Alternate – Julie Ryan (Staff apt)	April & October	SB Ctny Public Works Hearing Room, 825 E 3 rd St, San Bernardino Liz Villa (909) 386-8914
Victor Valley Economic Development Authority (VVEDA) (700 filers) (By-laws allow \$50/meeting but must be requested, (no city representative receiving at the present time)	Primary – Rebekah Swanson Alternate – Paul Russ	3 rd Wednesday in January, March, September at 4:30 p.m.	Meeting Loc: SCLA Theatre, 18374 Phantom Victorville, 92394 Mail to: 14343 Civic Dr., Victorville CA 92392 Jennifer Thompson, 760.243.4773 JThompson@Cl.VICTORVILLE.CA.US
Victor Valley Transit Authority (VVTA) (700 filers) (\$125/meeting)	Primary – Larry Bird Alternate – Rebekah Swanson	Monthly, 3 rd Monday, 9:30 a.m.	VVTA Conference Room A127 17150 Smoke Tree St., Hesperia CA 92345 Debi Lorrach, Clerk 760-948-3262 x112; dlorrah@vvta.org
Victor Valley Wastewater Reclamation Authority (VWVRA) (700 filers) (\$100/meeting)	Primary – Larry Bird Alternate – Paul Russ	Monthly, 3 rd Thursday, 7:30 a.m.	20111 Shay Rd., Victorville CA 92394 Christi Casteel, 760.244.0289, ccasteel@vwwra.com
Hesperia Chamber of Commerce Liaison (no compensation, non-voting liaison)	Paul Russ	Coffee, Weekly, Friday 7:15 a.m. Luncheon, Monthly, 3 rd Mon., noon	14321 Main St, CA Hesperia 92345 760.244.2135



City of Hesperia

2018 City Council Outside Agency & Committee Appointments

Hesperia Chamber of Commerce 2034 Committee	Primary – Larry Bird Alternate – Rachel Molina (Staff apt)	TBD	TBD
Tri Agency Committee (no compensation)	Larry Bird & Rebekah Swanson (no primary role)	Monthly, 2 nd Wednesday, 3:30 p.m.	Rotates on an annual basis
Oversight Board to the Successor Agency of the HCRA	Rebekah Swanson – City Council Rep. Bill Holland – Fire District Rep.	Quarterly as needed.	Hesperia City Hall, Council Chambers
Council Liaison to Advisory & Internal Committees			
City Council Advisory Committee - (no compensation)	Rebekah Swanson	Jan, April, July & Oct, 2 nd Wednesday, 6:00 p.m.	Council Chambers - Tina Bulgarelli/Susie Flores
Public Safety Advisory Committee (no compensation)	Primary – Larry Bird Alternate – Rebekah Swanson	Annually the 2 nd Tuesday in January, 6:00 p.m.	Council Chambers – Stephanie McClure
Development Review Committee (liaisons)	Primary – Paul Russ & Jeremiah Brosowske Alternates – All other council members	Weekly/Bi Weekly Pre-DRC – every Thursday, 9:30AM DRC – every other Wednesday, 10:00AM (starting 8/22/2018)	Pre-DRC - Mesquite conference room – Planning Staff DRC - Joshua conference room – Planning Staff

Updated 12/6/2018

City of Hesperia

STAFF REPORT



DATE: January 8, 2019
TO: Mayor and City Council Members
FROM: Nils Bentsen, City Manager
BY: Melinda Sayre, City Clerk
SUBJECT: City Council Appointments to Advisory Committees and Planning Commission

RECOMMENDED ACTION

It is recommended that newly elected and re-elected City Council Members appoint one (1) community representative to fill vacant seats on the City Council Advisory Committee, Public Safety Advisory Committee and Planning Commission to commence on January 11, 2019.

BACKGROUND

The City Council adopted Procedures Manual includes a process whereby each Council Member appoints a member to the Advisory Committees and Planning Commission. The term of each appointee commences at appointment and ends thirty (30) days after the end of the appointing Council Member's term, subject to re-appointment.

Three (3) City Council seats were up for election in November 2018, subsequently creating vacancies on the City Council Advisory Committee, Public Safety Advisory Committee and the Planning Commission.

ISSUES/ANALYSIS

In anticipation of the vacancies, notices were posted as set forth in Government Code Section 54974 and placed on the City's website.

The recommended action follows past practice and allows an opportunity for reassignments as needed.

FISCAL IMPACT

None

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENTS

None