OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

NOTICE OF SPECIAL MEETING

AUGUST 23, 2012

NOTICE IS HEREBY GIVEN that the Chair of the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency has called a special meeting beginning at 3:00 p.m. on Thursday, August 23, 2012 in the U.S. Constitution Room/#4, Norwalk City Hall, 12700 Norwalk Blvd, Norwalk, CA. The purpose of said special meeting is as identified on the agenda.

NOTICE IS FURTHER GIVEN that the public be given the opportunity to speak at this meeting only on those matters specified in the associated agenda.

Dated this 21st day of August 2012.

Theresa Devoy
Secretary, Oversight Board

I, Theresa Devoy, Oversight Board Secretary, in Norwalk, California, **do hereby certify**, under penalty of perjury under the laws of the State of California, that the foregoing notice of special meeting was delivered to each member of the Oversight Board and faxed to the following newspapers: Whittier Daily News, Los Cerritos Community News, and Herald American, and posted on the posting board at Norwalk City Hall, all on the 21st day of August 2012.

Theresa Devoy
Secretary, Oversight Board

Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda after it has been posted will also be made available for public inspection in the City Clerk's Department.

Public Comment: *The public is encouraged to address the Oversight Board on any matter listed on the agenda.*

Americans with Disabilities Act: *In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's office, (562) 929-5720. Assisted listening devices are available at this meeting. Ask a staff member if you desire to use this device. Upon request, the agenda and documents in the agenda packet, can be made available in appropriate alternative formats to persons with a disability. Notification of at least 12 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.*

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

SPECIAL MEETING
AGENDA

AMENDED

AUGUST 23, 2012
3:00 p.m.

U.S. CONSTITUTION ROOM #4
12700 NORWALK BOULEVARD, NORWALK, CA

MICHAEL J. EGAN, CHAIR
STEVE HELVEY, VICE CHAIR
KURT ANDERSON, BOARD MEMBER
DAVID EL FATTAL, BOARD MEMBER
ERNIE GLOVER, BOARD MEMBER
HAL MALKIN, BOARD MEMBER
ESTUARDO SANTILLAN, BOARD MEMBER

This Oversight Board has been created pursuant to §34161 through §34190 of the Health and Safety Code for the sole purpose of overseeing the actions of the Successor Agency to the Norwalk Redevelopment Agency. In accordance with Health and Safety Code §34179(h), all Oversight Board actions shall not be effective for three business days, pending a request for review by the State Department of Finance (Department). In the event that the Department requests a review of a given Oversight Board action, it shall have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration, and such Oversight Board action shall not be effective until approved by the Department. In the event that the Department returns the Oversight Board action to the Oversight Board for reconsideration, the Oversight Board shall resubmit the modified action for Department approval, and the modified Oversight Board action shall not become effective until approved by the Department.

CALL TO ORDER Chair Egan

ROLL CALL Board Secretary

1. **RESOLUTION NO. OB 12-04 - APPROVAL OF MINUTES –** It is recommended that the Oversight Board adopt **Resolution No. OB 12-04, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY APPROVING MINUTES FOR OVERSIGHT BOARD MEETING OF APRIL 26, 2012**. **1315-03**

2. **RESOLUTION NO. OB 12-05 – ADMINISTRATIVE BUDGET –** It is recommended that the Oversight Board adopt **Resolution No. OB 12-05, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND TAKING CERTAIN RELATED ACTIONS**. **610**

3. **RESOLUTION NO. OB 12-06 - RECOGNIZED OBLIGATION PAYMENT SCHEDULES** – It is recommended that the Oversight Board adopt **Resolution No. OB 12-06, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE SIX-MONTH FISCAL PERIOD COMMENCING JANUARY 1, 2013 AND ENDING JUNE 30, 2013, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.** 1310-04

4. **RESOLUTION NO. OB 12-07 – CONFLICT OF INTEREST CODE** – It is recommended that the Oversight Board adopt **Resolution No. OB 12-07, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY ADOPTING A CONFLICT OF INTEREST CODE CONTAINING DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES.**

BOARD MEMBER COMMENTS

ADJOURNMENT

Dated this 21st day of August 2012.

Theresa Devoy
Secretary, Oversight Board

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda of special meeting was posted at City Hall not less than 24-hours before the start of the meeting, delivered to each member of the Oversight Board and faxed to the following newspapers: Norwalk Business Call, Whittier Daily News, Los Cerritos Community News, and the Herald American, all on the 21st day of August 2012.

Theresa Devoy
Secretary, Oversight Board

RESOLUTION NO. OB 12-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY APPROVING MINUTES FOR OVERSIGHT BOARD MEETING OF APRIL 26, 2012

WHEREAS, pursuant to Health and Safety Code Section 34179(e), all actions taken by the Oversight Board for the Successor Agency to the Norwalk Redevelopment Agency (the "Oversight Board") shall be adopted by resolution.

WHEREAS, further pursuant to Health and Safety Code Section 34179(h), written notification and information about all actions taken by the Oversight Board shall be provided to the California State Department of Finance ("DOF") by electronic means and in a manner of DOF's choosing.

WHEREAS, there has been presented to the Oversight Board for approval, minutes (the "Minutes") for the Oversight Board's meeting held on April 26, 2012.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Minutes.

Section 3. The staff of the Successor Agency is hereby directed to provide the DOF written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The officers of the Oversight Board and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

APPROVED AND ADOPTED this 23rd day of August 2012.

MICHAEL J. EGAN
CHAIR

ATTEST:

THERESA DEVOY, SECRETARY
OVERSIGHT BOARD

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

AGENDA REPORT

DATE: August 23, 2012

TO: Oversight Board

FROM: Thomas E. Lynch, Assistant Executive Director
Successor Agency to the Norwalk Redevelopment Agency
Jana Stuard, Finance Officer
Successor Agency to the Norwalk Redevelopment Agency

SUBJECT: RESOLUTION NO. OB 12-05 – APPROVING THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY'S PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD COMMENCING FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013

Background:

Pursuant to AB X1 26 and AB 1484, the Successor Agency is required to prepare a proposed administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity.

AB X1 26 and AB 1484 are unclear regarding the required timing for the submission of the proposed administrative budget for the period from January 1, 2013 through June 30, 2013 (i.e., the second half of fiscal year 2012-13) ("Administrative Budget No. 3) to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget No. 3 and the ROPS for the same period ("ROPS No. 3") should be consistent.

The Successor Agency is required to submit the ROPS No. 3 to the Oversight Board for approval and then submit the Oversight Board-approved ROPS No. 3 to the State Department of Finance, the State Controller and the County Auditor-Controller no later than September 1, 2012. Staff has prepared a ROPS No. 3 for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board approve Administrative Budget No. 3 on the same date as the Board's approval of ROPS No. 3.

The Oversight Board must take action by resolution and must provide DOF, by electronic means, written notice and information about the Oversight Board's action.

Fiscal Impact:

Under AB X1 26 and AB 1484, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, annually equal to the greater of (1) $250,000 a year, or (2) commencing fiscal year 2012-13, up to 3% of the property tax allocated from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and used by the Successor Agency to pay enforceable obligations. The Administrative Cost Allowance to be received by the Successor Agency on January 2, 2013 for the second half of fiscal year 2012-13 will take into account the amount of Administrative Cost Allowance the Successor Agency received on June 1, 2012. In addition, the Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

Environmental Impact:

There will be no new environmental impact associated with adoption of the attached Resolution.

Recommended Action:

Staff recommends that the Oversight Board for the Successor Agency to the Norwalk Redevelopment Agency adopt Resolution No. OB 12-05, approving a proposed administrative budget for the period from January 1, 2013 through June 30, 2013, and taking certain other related actions.

Attachment:

Resolution No. OB 12-05

RESOLUTION NO. OB 12-05

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND TAKING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Norwalk Redevelopment Agency (the "Successor Agency") must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the oversight board for the Successor Agency (the "Oversight Board") for approval.

WHEREAS, there has been presented to this Oversight Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from January 1, 2013 through June 30, 2013 ("Administrative Budget No. 3").

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed Administrative Budget No. 3 substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The officers of the Oversight Board and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

APPROVED AND ADOPTED on this 23rd day of August 2012.

_____
MICHAEL J. EGAN
CHAIR

ATTEST:

_____
THERESA DEVOY, SECRETARY
OVERSIGHT BOARD

EXHIBIT A

SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

MERGED PROJECT AREAS #1, #2, #3.

ADMINISTRATIVE BUDGET - PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013

Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Payee	Description	Project Area	Funding Source **	Total
1)	Employees' Costs	City of Norwalk	Salaries & Benefits of NRA Officers & Staff	Merged	Admin	$ 125,400.00
2)	Administrative Cost	City of Norwalk	Duplicating cost, postage, office supplies, telephone & fax	Merged	Admin	$ 825.00
3)	Training, Meetings & Seminars, Membership, Legal Defense	California Redevelopment Association (CRA)	Cost of attending Training, Conferences & Meetings; CRA membership; legal defense	Merged	Admin	$ 500.00
4)	Property Tax Consulting Services	HdL Companies	Financial Consulting	Merged	Bonds	$ 8,400.00
5)	Annual Audit	Vasquez & Co., LLP	Annual financial statement and report	Merged	Bonds	$ 4,875.00
6)	Legal Services	Richards Watson Gershon	Legal Counsel	Merged	Bonds	$ 59,600.00
7)	AB 1484 Due Diligence Review	Vasquez & Co., LLP	Perform the AB 1484 Due Diligence Review - Audit services related to the former RDA dissolution	Merged	RPTTF	$ 15,900.00
						$ -
						$ -
						$ -
	FUNDING SOURCE		SUBTOTAL		ADMIN	$ 126,725.00
	FUNDING SOURCE		SUBTOTAL		BONDS	$ 72,875.00
	FUNDING SOURCE		SUBTOTAL		RPTTF	$ 15,900.00
			TOTAL ADMINISTRATIVE BUDGET			**$215,500.00**

RPTTF - Redevelopment Property Tax Trust Fund
LMIHF - Low and Moderate Income Housing Fund
Bonds - Bond proceeds
Admin - Successor Agency Administrative Allowance

The above items include amounts to be reimbursed by the Successor Agency to the City of Norwalk, Pursuant to a Cooperative Agreement for Advance and Reimbursement of Administrative Overhead and other Expenses, by and beween the City and the Successor Agency, in the form approved by the Governing Board of the Successor Agency pursuant to Resolution No. SA 12-08, on April 3, 2012.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

AGENDA REPORT

DATE: August 23, 2012

TO: Oversight Board

FROM: Thomas E. Lynch, Assistant Executive Director
Successor Agency to the Norwalk Redevelopment Agency
Jana Stuard, Finance Officer
Successor Agency to the Norwalk Redevelopment Agency

SUBJECT: **RESOLUTION NO. OB 12-06 – APPROVING THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFEY CODE SECTION 34177 FOR THE SIX-MONTH FISCAL PERIOD COMMENCING FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013**

Background:

Pursuant to AB X1 26, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

On June 27, 2012, the Governor signed the State budget trailer bill AB 1484, which became effective immediately. AB 1484 impacts many aspects of AB X1 26. Whereas AB X1 26 did not provide a comprehensive timeline for the preparation, submittal and review of each ROPS, AB 1484 now imposes new requirements and deadlines (which are discussed below), beginning with the ROPS covering the period from January 1, 2013 through June 30, 2013 ("ROPS No. 3"). Under AB 1484, at the same time that the Successor Agency submits a ROPS to the Oversight Board for approval, the Successor Agency must also provide a copy of such ROPS to the DOF, the County Auditor-Controller and the "county administrative officer." In addition to the requirement for Oversight Board and DOF approvals, the County Auditor-Controller now has the authority to review the ROPS and make objections to the inclusion of an item on a ROPS (on the basis that the item is not an "enforceable obligation" under AB X1 26 and AB 1484) and/or the funding source identified on the ROPS for an obligation. A copy of the Oversight Board-approved ROPS must be submitted to the DOF, the Office of the State Controller, the County Auditor-Controller and be posted on the Successor Agency's website.

Deadlines for ROPS Submission

AB 1484 provides that the Successor Agency must submit an Oversight Board-approved ROPS No. 3 to the DOF and the County Auditor-Controller no later than **September 1, 2012**. Thereafter, each future Oversight Board-approved ROPS must be submitted to the DOF and the County Auditor-Controller no later than 90 days before each property tax distribution (*i.e.*, the date of property tax distribution being each January 2 and June 1). The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing.

The DOF may eliminate or modify any ROPS items before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each listed on a ROPS no later than 45 days after the ROPS was submitted. Within five business days of the DOF's determination, the Successor Agency may request a "meet and confer" on disputed items. The meet and confer period may vary, but an untimely submission of ROPS No. 3 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may also make objections to the inclusion of any item on a ROPS on the basis that the item is not an enforceable obligation, as well as objections to the funding source proposed for any item. With respect to ROPS No. 3, the County Auditor-Controller must provide a notice of its objections to the DOF, the Successor Agency and the Oversight Board by October 1, 2012.

Penalties for Failure to Make Timely Submission

AB 1484 imposes severe penalties for the failure to comply with certain deadlines. With respect to the ROPS, **if the Successor Agency does not submit a ROPS by the applicable deadline, the City of Norwalk will be subject to a civil penalty of $10,000 per day for every day that the ROPS is not submitted to the DOF**. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities have standing to and may request a writ of mandate to require the successor agency to immediately perform this duty. **Additionally, if the Successor Agency does not submit a ROPS within 10 days of an applicable deadline, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.**

In addition, the DOF may order the County Auditor-Controller to withhold a scheduled property tax disbursement to the Successor Agency pending the DOF's review of the related ROPS, if the Successor Agency fails to submit the related ROPS, as approved by the Oversight Board, to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations." (It is not

entirely clear which is "the date upon which the ROPS is to be used to determine the amount of property tax allocations." Possibly, it is referring to October 1 and April 1, the dates by which the County Auditor-Controller must prepare estimates for the upcoming disbursements on January 2 and June 1, respectively, and provide the estimates to the DOF, the Successor Agency and the taxing entities.) In conjunction with such a withholding, the DOF may order the County Auditor-Controller to disburse to the taxing entities money from the Redevelopment Property Tax Trust Fund that the DOF determines to be in excess of the amount needed for enforceable obligations.

Certain Obligations from ROPS No. 1 and ROPS No. 2 Previously Rejected by the DOF

The Successor Agency has previously prepared and submitted to the Oversight Board and the DOF a ROPS for the first half of calendar year 2012 ("ROPS No. 1") and a ROPS for the second half of calendar year 2012 ("ROPS No. 2"). DOF rejected certain items on ROPS No. 1 and ROPS No. 2 relating to obligations owed to the City of Norwalk (including repayment of certain advances for the judge's parking project and a loan the City made to the former Redevelopment Agency). Staff has tried to engage the DOF in a dialogue to reconsider these items. Although background details and supporting documentation have been sent to the DOF in response to follow-up questions that the DOF has raised, no response to the follow-up has been provided. A second letter was sent to the DOF, again rebutting DOF's blanket rejection. This second letter has also not been responded to. Then, according to a letter dated July 12, 2012 from DOF to all successor agencies, because the property tax distribution for the ROPS No. 2 period was completed on June 1, 2012, the DOF has decided to reject all further appeals and requests to reconsider ROPS No. 1 and ROPS No. 2 items, and all requests to reconsider disputed or denied ROPS items will be addressed in the next ROPS reviews.

Because the Successor Agency has not yet received a thorough review of these disputed ROPS No. 1 and ROPS No. 2 items, they continue to be included in the attached ROPS No. 3. Under AB 1484, if the DOF rejects certain ROPS No. 3 items, the Successor Agency will have an opportunity to request a "meet and confer" with the DOF to further present the Successor Agency's case.

If, ultimately, the DOF rejects those items after the meet and confer process, AB 1484 provides a mechanism for a city to potentially get some repayment under loan agreements between a former redevelopment and its city which became unenforceable because of AB X1 26. However, AB 1484 attaches various restrictions to such repayments, including, among others: (1) repayment can only be made after the "due diligence review" of the Successor Agency's funds and assets required by AB 1484 has been completed and the DOF has issued a related "finding of completion"; (2) the oversight board will have made a finding that the loan was for a legitimate

redevelopment purpose; (3) in any event, repayment cannot be made before fiscal year 2013-14; (4) the repayment terms will be substantially revised in accordance with AB 1484 (e.g., interest on the loan will be recalculated using LAIF rates from the origination of the loan and the amount of repayment each fiscal year must not exceed a cap calculated pursuant AB 1484), and (5) 20 percent of any such loan repayment will be deducted and transferred to the entity assuming the housing function of the former redevelopment agency and used for low and moderate income housing purposes

Fiscal Impact:

The preparation and submittal of ROPS No. 3 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2013 to June 30, 2013.

Environmental Impact:

There will be no new environmental impact associated with adoption of the attached Resolution.

Recommended Action:

Staff recommends that the Oversight Board for the Successor Agency to the Norwalk Redevelopment Agency adopt Resolution No. OB 12-06, approving the Recognized Obligation Payment Schedule for the period from January 1, 2013 through June 30, 2013, and taking certain other related actions.

Attachment:

Resolution No. OB 12-06 with attachment

RESOLUTION NO. OB 12-06

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE SIX-MONTH FISCAL PERIOD COMMENCING FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013, AND TAKING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Norwalk Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2013 through June 30, 2013 ("ROPS No. 3"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than September 1, 2012; and (2) post a copy of the Oversight Board-approved ROPS No. 3 on the Successor Agency's website;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Oversight Board hereby approves proposed ROPS No. 3, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS No. 3 to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS No. 3 on the Successor Agency's Internet website (being a page on the Internet website of the City of Norwalk).

SECTION 3. The Oversight Board hereby designates Michael J. Egan, as the official designated to whom DOF may make a request for review in connection with actions taken by the Oversight Board.

SECTION 4. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution,

including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

APPROVED AND ADOPTED on this 23rd day of August 2012.

MICHAEL J. EGAN
CHAIR

ATTEST:

THERESA DEVOY
SECRETARY

Successor Agency Contact Information Exhibit A

Name of Successor Agency:	Successor Agency to the Norwalk Redevelopment Agency
County:	Los Angeles
Primary Contact Name:	Thomas E. Lynch,
Primary Contact Title:	Assistant Executive Director
Address	
Contact Phone Number:	562-929-5760
Contact E-Mail Address:	tlynch@norwalkca.gov
Secondary Contact Name:	Jana Stuard
Secondary Contact Title:	Finance Officer
Secondary Contact Phone Number:	562-929-5748
Secondary Contact E-Mail Address:	jstuard@norwalkca.gov

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Filed for the January 1, 2013 to June 30, 2013 Period

Exhibit A

Name of Successor Agency: Successor Agency to the Norwalk Redevelopment Agency

		Total Outstanding Debt or Obligation
	Outstanding Debt or Obligation	$ 111,684,001
	Current Period Outstanding Debt or Obligation	**Six-Month Total**
A	Available Revenues Other Than Anticipated RPTTF Funding	845,363
B	Anticipated Enforceable Obligations Funded with RPTTF	2,459,195
C	Anticipated Administrative Allowance Funded with RPTTF	250,000
D	Total RPTTF Requested (B + C = D)	2,709,195
	Total Current Period Outstanding Debt or Obligation (A + B + C = E) *Should be the same amount as ROPS form six-month total*	$ 3,554,558
E	Enter Total Six-Month Anticipated RPTTF Funding *(Obtain from county auditor-controller)**	2,709,195
F	Variance (E - D = F) *Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding*	$ -
	Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G	Enter Estimated Obligations Funded by RPTTF *(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)***	1,656,782
H	Enter Actual Obligations Paid with RPTTF***	1,656,782
I	Enter Actual Administrative Expenses Paid with RPTTF	
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
K	**Adjusted RPTTF** *(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)*	$ 2,709,195

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
Michael J. Egan	Chairman
Signature	Date
	23-Aug-12

* Based on information provided by the County of Los Angeles Auditor-Controller's office on August 17, 2012, the maximum amount that may be funded from RPTTF is $4,371,454.57.

** The County of Los Angeles did not make any disbursement from the RPTTF during ROPS I period. The number entered represents an allocable amount from FY 2011-12 tax increment received by the Norwalk Redevelopment Agency, exclusive of pass-through payments.

*** See footnote above. The number entered equal the amount paid with FY 2011-12 tax increment received by the Norwalk Redevelopment Agency, exclusive of pass-through payments.

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

Name of Successor Agency: Successor Agency to the Norwalk Redevelopment Agency

County: Los Angeles

Exhibit A

Oversight Board Approval Date: August 23, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source: LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
	Grand Total						$ 111,684,001	$ 6,152,809	$ -	$ 98,135	$ -	$ 250,000	$ 2,459,195	$ 747,228	$ 3,554,558
1	NRA Tax Allocation Refunding Bonds, 2005 Series A	11/30/2005	10/1/2035	The Bank of New York Mellon	Bond issue to fund redevelopment projects	Merged	51,916,879	2,179,983					718,584		718,584
2	NRA Tax Allocation Refunding Bonds, 2005 Series B	11/30/2005	10/1/2035	The Bank of New York Mellon	Bond issue to fund redevelopment projects	Merged	32,964,345	1,385,208					732,346		732,346
3	Fiscal Agent Fees	11/30/2005	10/1/2035	The Bank of New York Mellon	Fees Related to 2005 TARB and TAB, Series A & B	Merged	138,000	5,800					5,800		5,800
4	City Advance for RDA General Costs	3/11/1985	10% annual interest paid quarterly, until principal paid in full	City of Norwalk	Borrowed by the Agency. Operative Agreement between the City and RDA	Merged	1,033,545	1,033,545					986,565		986,565
5	Borrowed from the City: Loan	10/8/1991	10/6/2011	City of Norwalk	Borrowed by the Agency: Loan for the Metro Center Project	Merged	19,157,357	-							-
6	Hoxie Property Rent	11/27/1985	6/30/2021	Norwalk La Mirada Unified School District	Rent Payment	Merged	5,999,200	659,256						329,628	329,628
7	Advance from the City: Judges' Parking Structure	2/2/2010	Contingent upon County of Los Angeles purchase of Judges' Parking Building	City of Norwalk	Borrowed by the Agency: Advance for the Judges' Parking Structure Project.	Merged	417,600	417,600						417,600	417,600
8	Judges' Parking Structure Project (#7701)	4/1/2010		Various Vendors: Weeger Brothers, Utilities - So. CA Edison, Gas Company, Water	Various cost related to the project: General Contractor, Utilities and property maintenance cost	Merged	16,500	6,500		5,260					5,260
9	Appraiser of properties	as needed		R.P. Laurain & Associates (or other appraiser firm)	Fees for appraiser services - as needed	Merged		40,000		20,000					20,000
10	AB 1484 Due Diligence Review		Upon DDR completion	Vasquez & Co., LLP	Perform the AB 1484 Due Diligence Review - Audit services related to the former RDA dissolution	Merged	15,900	15,900					15,900		15,900
11	Annual Audit	4/4/2012	Upon audit completion	Vasquez & Co., LLP	Annual financial statement and report	Merged	7,875	7,875		4,875					4,875
12	Property Tax Consulting Services			HdL Companies	Financial Consulting	Merged	16,800	16,800		8,400					8,400
13	Legal Services			Richards Watson Gershon	Legal Counsel	Merged	Annually as needed	119,200		59,600					59,600
14	Administration of Agency Dissolution - Personnel Cost	4/3/2012	Cooperative Agreement	City of Norwalk	Salaries & Benefits of NRA Officers & Staff	Merged	Annually	260,642				248,675			248,675
15	Other Administrative Cost	4/3/2012	Cooperative Agreement	City of Norwalk	Postage, Office Supplies, Duplication, Telephone & Fax	Merged	Annually	1,500				825			825
16	Training, Meetings, Seminars & Membership	4/3/2012	Cooperative Agreement	California Redevelopment Association & Other professional organizations	Cost of attending training, conferences, meetings & membership	Merged	Annually as needed	3,000				500			500
17															-
18															-
19															-
20															-

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

Name of Successor Agency: Successor Agency to the Norwalk Redevelopment Agency
County: Los Angeles

Exhibit A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Item #	Notes/Comments
4	In response to the DOF letter, the Agency provided additional information to the DOF on 6/18/12, to validate the amount of $939,586 of the outstanding obligation. According to the Agreement, there is a 10% interest payable to the City on quarterly basis. This agreement was entered into in 1985, which is within two years of RDA formation.
5	In response to the DOF letter, the Agency provided additional information to the DOF on 6/18/12, to request the recognition of the Loan from the City to the former RDA for the Metro Center Project to be an obligation of the Agency. The loan originated in October 1991 with principal of $5,864,100. It was due and payable in full, principal & interest 20 years from the date of agreement. The loan accrues 8.75% annual interest on principal and the unpaid interest.
7	In response to the DOF letter, the Agency provided on 6/18/12 the contract between the Agency and the LA County as well as the City & Agency resolutions to substantiate the obligation in the amount of $417,600.
8	In response to the DOF letter, the Agency provided on 6/18/12 explanation to the DOF. The obligation exists since April 2010, when the construction of the Parking Structure began. The listed obligation represents cost related to contractor's retention still held by the Agency and the cost of maintenance and utilities until the Judges' Parking Structure is transferred to the County of Los Angeles. (see item # 7)

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

Name of Successor Agency: Successor Agency to the Norwalk Redevelopment Agency

County: Los Angeles

Exhibit A

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012

						LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	* Estimate	Actual	Estimate	Actual
		Grand Total				$ 16,580	$ 55,112	$ 86,320	$ 54,264	$ -	$ -	$ 178,708	$ 124,361	$ 5,235,580	$ 1,532,421	$ 339,628	$ 330,957
1	1	* NRA Tax Allocation Refunding Bonds, 2005 Series A	The Bank of New York Mellon	Bond issue to fund redevelopment projects	Merged									2,193,168	736,583.76		
1	2	* NRA Tax Allocation Refunding Bonds, 2005 Series B	The Bank of New York Mellon	Bond issue to fund redevelopment projects	Merged									2,053,476	746,737.75		
1	3	Fiscal Agent Fees	The Bank of New York Mellon	Fees Related to 2005 TARB and TAB, Series A & B	Merged									2,400	2,120.00		
1	6	City Advances For General Costs*	City of Norwalk	City to RDA Operative agreement 1985*	Merged									986,536	46,979.30		
2	1	Rent (Hoxie Property)	Norwalk La Mirada Unified School District	Rent Payment	Merged											329,628	329,625
2	2 & 3	Contracts for consulting services	HdL Companies	Financial Consulting	Merged	1,680.00	1,680.00	6,720.00	6,720.00								
2	4 & 5	Contract for Legal Services	Richards Watson Gershon	Legal Counsel	Merged	14,400	20,842	57,600	41,544								
2	6	Contract Services	R P Laurain & Associates (or other Appraiser firms)	Fees for the Appraiser Services	Merged			20,000	-								
2	7 & 8	Contract for Auditing Services	Vasquez & Co., LLP	Annual & Special audits & reports	Merged	500	1,500	2,000	6,000								
2	10	Judges Parking Structure (CIP #7701)	Various Vendors; e.i.: Weeger Bros, and Utilities providers	Various cost related to the project: Engineering, Project Manager, General Contractor; Trustee Bank, Plan Check, Utilities and properties maintenance	Merged											10,000	1,332
3	1	Employees' Costs	City of Norwalk	Salaries & Benefits of NRA Officers & Staff	Merged	-	30,907	-		-	-	173,358	123,628				
3	2	Administrative Cost	City of Norwalk	Duplicating cost, postage, office supplies, telephone & fax	Merged		48					1,350	194				
3	3	Training, Meetings & Seminars, Membership, Legal Defense	California Redevelopment Association (CRA)	Cost of attending Training, Conferences & Meetings; CRA membership; legal defense	Merged		135	-				4,000	539				

* The principal of these outstanding Bonds are payable on each October 1st. To avoid any potential bond default, the Successor Agency took the reasonable step of listing the full amount of the debt service payment for the Bond Year (from October 2 to October 1) on ROPS I. As events unfolded, the County never made a property tax disbursement on May 16, 2012. In light of the overall availability of funds, the Successor Agency used fiscal year 2011-12 tax increment on hand to make the debt service payment due on April 1st and did not transfer any additional moneys to the bond trustee during the ROPS 1 period. Subsequently the October 1st debt service payment was included again on ROPS II.

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

AGENDA REPORT

DATE: August 23, 2012

TO: Oversight Board

FROM: Theresa Devoy, Secretary to the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency

SUBJECT: **CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD AND RESOLUTION NO. OB 12-07 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY ADOPTING A CONFLICT OF INTEREST CODE CONTAINING DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES**

Background:

On April 25, 2012, the California Fair Political Practices Commission ("FPPC") issued informal guidance to the League of California Cities ("League") advising that Oversight Boards are local agencies and should adopt their own conflict of interest codes. The Political Reform Act, Government Code Sections 81000, et seq., requires local governmental agencies to adopt a conflict of interest code and to review their conflict of interest codes biennially to determine if they are accurate and up-to-date. Currently, Members of the Oversight Board are listed as having designated positions in the Successor Agency's own Conflict of Interest Code.

By this Resolution No. OB 12-07, the Oversight Board will be adopting its own Conflict of Interest Code, that contains designated positions and disclosure categories.

The Fair Political Practices Commission allows agencies to adopt a code by referencing the FPPC's Model Code, which is attached for reference as Exhibit "A." Appendix A to Resolution No. SA 12-07 sets forth the designated positions and the disclosure categories for each position of the Oversight Board and shall constitute the Conflict of Interest Code for the Oversight Board.

Once adopted by the Oversight Board, the Political Reform Act requires its Conflict of Interest Code to be forwarded to what is referred to as the "code reviewing body." The FPPC, in its April 25, 2012 letter, clarified that the code reviewing body for an oversight board for a former redevelopment agency that was located only within one city, is the city council of that city. In this case, the code reviewing body for the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency will be the Norwalk City Council. Consequently, upon adoption of this Conflict of Interest Code, the Code will be submitted to the Norwalk City Council for its approval.

Persons holding designated positions listed in Appendix A shall file Statements of Economic Interest pursuant to Section 5 of the Conflict of Interest Code with the information required for the disclosure category assigned to them. These statements, if not already filed, should be filed with the City Clerk no later than 30 days after adoption of this Code by the Oversight Board. If a statement has already been filed by the person holding a position listed in this Code, no additional form is required until next year's annual statement.

The Secretary of the Oversight Board will coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised Code should reflect any changes in employee designations. If no revisions to the Code are required, the Secretary of the Oversight Board shall submit a report no later than October 1st of the same year, stating that amendments to the Code are not required.

Fiscal Impact:

The adoption of Resolution No. OB 12-07 is necessary for the Oversight Board to comply with the Political Reform Act. The City Clerk will incur additional time and expense in performing duties as the filing officer for the Oversight Board. The dollar amount of that expense is not anticipated to be significant and cannot be accurately estimated at this time.

Citizens Advised:

The proposed Conflict of Interest Code was provided to the individuals identified as required to file a Statement of Economic Interests.

Strategic Plan Implementation: N/A

Recommended Action:

Staff recommends the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency adopt Resolution No. OB 12-07 adopting a Conflict of Interest Code containing designated positions and disclosure categories.

Attachment:

1. Resolution No. OB 12-07
2. FPPC Model Code

RESOLUTION NO. OB 12-07

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY ADOPTING A CONFLICT OF INTEREST CODE CONTAINING DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

WHEREAS, the Political Reform Act, Government Code Section 81000, et seq., requires the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency ("Oversight Board") to adopt a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a Model Conflict of Interest Code (the "Model Code"). The Model Code, codified at 2 California Code of Regulations Section 18730, can be incorporated by reference by the Oversight Board as its conflict of interest code. That Model Code will be amended by the Fair Political Practices Commission from time to time to conform to amendments to the Political Reform act; and

WHEREAS, by this resolution, the Oversight Board is adopting a Conflict of Interest Code that contains designated positions and disclosure categories.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The Model Code, and any amendments to it duly adopted by the Fair Political Practices Commission, and Appendix A which sets forth the designated positions and the disclosure categories for each position of the Oversight Board are hereby incorporated by reference and shall constitute the Conflict of Interest Code for the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency.

Section 2. Persons holding designated positions listed in Appendix A shall file Statements of Economic Interests pursuant to Section 5 of the Conflict of Interest Code with the information required for the disclosure category assigned to them.

Section 3. Pursuant to the Political Reform Act (Government Code Sections 81000 through 91014), a person holding a designated position listed in this Code is subject to administrative, criminal and civil sanctions provided in the Political Reform Act. In addition, if a person who holds a designated positions makes, participates in making or otherwise attempts to use his or her official position to influence a decision of the City in which he or she has a financial interest, he or she may also be subject to additional administrative, criminal and civil sanctions and the decision may be set aside and voided pursuant to Government Code Section 91003.

Section 4. The Oversight Board hereby directs the Secretary of the Board to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised code should reflect any changes in employee designations. If no revisions to the Code are required, the Secretary of the Oversight Board shall submit a report no later than October 1st of the same year, stating that amendments to the Code are not required; and

Section 5. The Secretary of the Oversight Board shall certify to the passage and adoption of this Resolution and shall submit the Oversight Board's Conflict of Interest Code to the City Council of the City of Norwalk for approval as Code Reviewing Body.

APPROVED AND ADOPTED this 23rd day of August 2012.

MICHAEL J. EGAN
CHAIR

ATTEST:

THERESA DEVOY, SECRETARY
OVERSIGHT BOARD

CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code and may be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions, and establishing disclosure requirements, shall constitute the conflict of interest code for the City of Norwalk.

Individuals holding designated positions shall file their statements with the Office of the City Clerk, which will retain the statements and make the statements available for public inspection and reproduction. (Gov. Code Section 81008.)

APPENDIX A

DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES FOR THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORWALK REDEVELOPMENT AGENCY

Designated Positions	Disclosure Categories
Oversight Board Member	1, 2, 3, 4
Oversight Board Secretary	5

Disclosure Categories

1. Reportable interests in real property in the jurisdiction. (Form 700, Schedule B.)

2. Reportable income and business positions. (Form 700, Schedule C).

3. Reportable investments. (Form 700, Schedules A-1 and A-2).

4. Reportable gifts and travel gifts. (Form 700, Schedules D and E).

5. Persons holding designated positions which are assigned a disclosure category of "5" above are not required to prepare a separate Statement of Economic Interest (Form 700) for their position with the Oversight Board because they also hold positions which are already required to disclose and report under the Conflict of Interest Code of the City of Norwalk. Persons in this category should list their position with the Oversight Board in Section 1 of Form 700 that they file with the Secretary of the Oversight Board. Persons in this category "5" are, however, subject to the disqualification provisions of this Code when acting in their official capacity for the Oversight Board of the Successor Agency to the Norwalk Redevelopment Agency.

Conflict of Interest Code

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict-of-Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict-of-interest code within the meaning of Section 87300 or the amendment of a conflict-of-interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict-of-interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict-of-interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict-of-interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict-of-interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict-of-interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.[1]

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict-of-interest code.[2]

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making

of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the

previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property[3] is required to be reported,[4] the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds $2,000, exceeds $10,000, exceeds $100,000, or exceeds $1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,[5] the statement shall contain:

1. The name and address of each source of income aggregating $500 or more in value, or $50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was $1,000 or less, greater than $1,000, greater than $10,000, or greater than $100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,[6] the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than $10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of $420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than $420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars ($500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she

vacates office, receive a personal loan of $500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of $100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than $250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect,

distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth $2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth $2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating $500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating $420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any

governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value $1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

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[1]Designated employees who are required to file statements of economic interests under any other agency's conflict-of-interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

[2]See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

[3]For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[4]Investments and interests in real property which have a fair market value of less than $2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[5]A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

[6]Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In

addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.

2. Editorial correction (Register 80, No. 29).

3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).

4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).

5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).

6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).

7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).

10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative

5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).