



CITY OF FORT BRAGG

Incorporated August 5, 1889
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Grand Jury Report RESPONSE FORM

Re: Report Titled: *BREAKING NEWS: BIG CHANGES COMING FOR REDEVELOPMENT AGENCIES?*

Report Dated: June 7, 2011

Response Form Submitted by:

Members of the Fort Bragg City Council
416 N. Franklin Street
Fort Bragg, CA 95437

Response MUST be submitted, per Penal Code Sec. 933.05, no later than: September 23, 2011

I have reviewed the report and submit my responses to the FINDINGS portion of the report as follows:

- I (we) agree with the Findings numbered:
General: 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 15, 16, 18; Fort Bragg RDA: 37, 38, 39, 40,
- I (we) disagree wholly or partially with the Findings numbered below, and have **attached, as required,** a statement specifying any portion of the Finding that are disputed with an explanation of the reasons therefore.
General: 8, 10, 13, 14, 17, 19

I have reviewed the report and submit my responses to the RECOMMENDATIONS portion of the report as follows:

- The following Recommendation(s) have been implemented and **attached, as required,** is a summary describing the implemented actions:
2, 4

- The following Recommendation(s) have not yet been implemented, but will be implemented in the future, attached, as required is a timeframe for implementation:
3
- The following Recommendation(s) require further analysis, and attached as required, is an explanation and the scope and parameters of the planned analysis, and a timeframe for the matter to be prepared, discussed and approved by the officer and/or director of the agency or department being investigated or reviewed: (This time frame shall not exceed six (6) months from the date of publication of the Grand Jury Report).
- The following Recommendation(s) will NOT be implemented because they are not warranted and/or are not deemed reasonable, attached, as required is an explanation therefore:

I have completed the above responses, and have attached, as required the following number of pages to this response form:

Number of Pages attached: 2

I understand that responses to Grand Jury Reports are public records. They will be posted on the Grand Jury website: www.co.mendocino.ca.us/grandjury. The clerk of the responding agency is required to maintain a copy of the response.

I understand that I must submit this signed response form and any attachments as follows:

First Step: E-mail (Word documents or scanned .pdf file format) to:

- The Grand Jury Foreperson at grandjury@co.mendocino.ca.us
- The Presiding Judge c/o Sally Nevarez: sally.nevarez@mendocino.courts.ca.gov
- The County's Executive Office: angeloc@co.mendocino.ca.us

Second Step: Mail all originals to:

Mendocino County Grand Jury
P.O. Box 939
Ukiah, CA 95482

Printed Name: Dave Turner

Title: Mayor, City of Fort Bragg

Signed: _____

Date: 9/14/2011

Required Responses:

Explanation of Disagreement with General Findings 8, 10, 13, 14, 17, 19

Finding 8 states that initial RDA funding was derived from bond sales. The Fort Bragg RDA has had two bond issuances over its 24 year existence. Much of the activity performed by the agency is financed by tax increment revenues, not bonds.

Finding 10 states that local RDAs have not formed citizens' advisory committees. The Fort Bragg RDA has had a citizens' advisory committee since its inception. The committee has actively engaged in the review and update of the RDA's Five-Year Implementation Plans. The original citizens' advisory committee was called the Economic Development Advisory Board (EDAB). In 2000, the EDAB was combined with the Housing Advisory Board and renamed the Community Development Advisory Board (CDAB). One of the functions of the CDAB was to serve as the citizens' advisory committee for the RDA. In 2008, the CDAB was dissolved and the Economic Development Action Committee (EDAC) was created. The EDAC functioned, in part, as the citizens' advisory committee for the RDA. In 2010, the EDAC was dissolved and its function as the citizens' advisory committee for the Redevelopment Agency was delegated to the Planning Commission.

Finding 13 states that administrative salaries and benefits are funded by bonds unless the RDA has excess monies. In no instances have Fort Bragg RDA employee salaries been paid for by bond proceeds. The bonds have been used solely for capital improvement projects. Administrative salaries and benefits are funded by tax increment revenues.

Finding 14 states that employee salaries are paid with RDA funds disproportionate to the time spent on RDA business. While this general findings may be accurate for some agencies, it is not accurate for the Fort Bragg RDA. Each year during the budget process, careful consideration is given to the personnel cost allocation for employees engaged in RDA activities. The percentage of individual employee salaries charged to the RDA is adjusted year-to-year based on anticipated workload.

Finding 17 states, in part that the ability to repay existing RDA bonds is threatened by decreases in property tax revenues. That does not accurately reflect the Fort Bragg RDAs financial condition. While decreased tax revenues may diminish the Agency's ability to engage in future redevelopment activities, Fort Bragg RDA revenue projections indicate that there will be sufficient revenues to fulfill our obligations to the bondholders.

Finding 19 states that eminent domain can be used as a tool by government to acquire private property for the public good. While this general statement is correct, we would like to clarify that the Fort Bragg RDA does not have the power of eminent domain.

Summary of Implementing Actions re: Recommendations 2 and 4:

Recommendation 2 suggests that RDAs partner with local Code Enforcement Agency to compel owners of blighted properties to comply with Health and Safety Codes. The Fort Bragg RDA is staffed, in large part, by staff from the City's Community Development Department. The Community Development Department has an aggressive code enforcement program and regularly partners with the Police Department in identifying blighted properties and seeking compliance with City codes and regulations. The City has established a very effective escalating Code Enforcement penalty fine. The City is currently amending its administrative hearing ordinance regulations to provide an efficient and effective means of ensuring that property owners' due process rights are preserved while not allowing for undue delays in code enforcement proceedings.

Recommendation 4 suggests that RDAs establish citizen advisory committees. Please see response to Finding 10 above. The Fort Bragg RDA has a citizen advisory committee.

Summary of Implementing Actions/Timeframe re: Recommendation 3:

Recommendation 3 suggests that the City develop alternative revenue streams to replace anticipated RDA revenue losses. We agree with this recommendation though believe that revenue enhancement measures should be coupled with efforts to reduce costs. At a City Council/RDA goal-setting workshop in March 2011, the Council/RDA reviewed a list of possible revenue enhancement strategies and referred the matter to the Finance & Administration Committee. The Committee will be considering options and making recommendations to the Council regarding revenue enhancement initiatives. These recommendations will likely come forward in conjunction with the City's mid-year budget review process in February 2012.