



# City of Westminster

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September 12, 2012

The Honorable Thomas J. Borris, Presiding Judge  
Superior Court  
Orange County Grand Jury  
700 Civic Center Drive West  
Santa Ana, CA 92701

RE: City of Westminster Response  
"The Dissolution of Redevelopment: Where have We Been? What Lies Ahead?"

Dear Judge Borris:

The following is the City of Westminster's response to the Orange County Grand Jury's report, "The Dissolution of Redevelopment: Where Have We Been? What Lies Ahead?" As directed, the City has responded to Findings F.1, F.2, and F.3, as well as Recommendations R.1, R.2, R.4, and R.5.

**Finding F.1:** As of the date of dissolution of redevelopment (February 1, 2012), all city operated redevelopment agencies, except Mission Viejo and Seal Beach, were exceeding the administrative cost limit of 5% of the tax increment distributed related to the ROPS as authorized by AB1x 26.

**Response:** Prior to the dissolution of redevelopment (February 1, 2012), the Westminster Redevelopment Agency was in compliance with the recognized limits of administrative cost per California Redevelopment Law. Since the dissolution of redevelopment, the Westminster Successor agency has been in full compliance with the 5% administrative cost provisions set forth under AB1x 26.

**Finding F.2:** Of the agencies surveyed, only Costa Mesa and Santa Ana reported having a citizen involvement committee along the line of a Project Area Committee as authorized by Section 33385 of the Health and Safety Code.

**Response:** The Westminster Redevelopment Agency did not meet the qualifying requirements that would necessitate the formation of a Project Area Committee. The Westminster Redevelopment Agency did not have eminent domain powers, nor any planned displacement projects.

MARGIE L. RICE  
Mayor

TRI TA  
Mayor Pro Tem

FRANK G. FRY  
Council Member

ANDY QUACH  
Council Member

TYLER DIEP  
Council Member

EDDIE MANFRO  
Interim City Manager

**City of Westminster Response**

**“The Dissolution of Redevelopment: Where have We Been? What Lies Ahead?”**

**Finding F.3:** Historically, external oversight over redevelopment has been missing or ineffective in monitoring redevelopment agency compliance and performance. The newly formed oversight boards offer a potential to improve on that record by providing critical evaluation of existing projects and management of successor agency debt.

**Response:** During its operation, the Westminster Redevelopment Agency was subject to annual compliance audit and has always been found to be in compliance with applicable Redevelopment Law. The oversight board now offers another level of review.

**Recommendation R.1:** All successor agencies should review administrative cost to ensure compliance with the limit of five percent of the tax-increment or less as required by AB1x26 and develop a plan to reduce these cost to three percent of tax increment received or less by 2012-2013. If these percentages fall below \$250,000, the agencies are allowed to claim the higher amount. (See F1).

**Response:** The Westminster Successor Agency is currently compliant with the AB1x 26 allowed administrative cost levels and intends to meet all bench marks as set forth by the statute.

**Recommendation R.2:** Successor agencies and oversight boards should review the Recognized Obligation Payment Schedule with a view towards limiting the range of projects and obligations thereby retiring the enforceable obligation debt as quickly as possible. (See F3)

**Response:** The Westminster Successor agency is currently compliant with the AB1x 26 allowed process for completion of projects listed on the Recognized Obligation Payment Schedule and intends to continue to meet all obligations set forth by the statute.

**Recommendation R.4:** Successor agencies and oversight boards should critically review the Recognized Obligation Schedule (ROPS) to evaluate the need for debt owed to the city.

**Response:** The Westminster Successor agency has evaluated the need for debt owed to the City and has included these items on the Recognized Obligation Schedule.

**Recommendation R.5:** Successor agencies and oversight boards should critically review the Recognized Obligation Payment Schedule (ROPS) to evaluate the need for incentive payments to commercial entities. (See F9)

**Response:** The Westminster Successor Agency and Oversight board was reviewed and approved these items.

**City of Westminster Response**

**"The Dissolution of Redevelopment: Where have We Been? What Lies Ahead?"**

Please feel free to contact my office at 714-548-3169 if you should have any questions regarding this response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chester C. Simmons III", with a long horizontal flourish extending to the right.

Chester C. Simmons III  
Assistant to the City Manager