

**OVERSIGHT BOARD TO THE SUCESSOR AGENCY TO THE  
COMMUNITY REDVELOPMENT AGENCY OF THE CITY OF BELL**

**REGULAR MEETING AGENDA**

**CITY COUNCIL CHAMBERS**

**THURSDAY, OCTOBER 4, 2012  
5:30 P.M.**

**NOTICE IS HEREBY GIVEN that the Oversight Board to the Successor Agency to the Bell Community Redevelopment Agency of the City of Bell will hold a Regular Meeting on October 4, at 5:30 P.M., at Bell City Hall to consider the following:**

**REGULAR SESSION AGENDA**

**5:30 P.M.**

**CALL TO ORDER**

Pledge of Allegiance.  
Invocation.  
Roll Call and Introductions.  
Changes to the Agenda.

**ANNOUNCEMENTS**

**PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS**

**PUBLIC COMMENTS**

This is the time for the public to address the Oversight Board on issues within the jurisdiction of the Oversight Board that are NOT on this agenda. All comments are to be directed to the Oversight Board and shall not consist of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during their comments. There is a time limitation of three minutes per person. If you haven't already done so, please fill out name and address slips and give them to the Secretary to the Oversight Board. The Oversight Board is prohibited by State law from taking action or discussing items not included on the printed agenda. Public comments on specific agenda items will be deferred until consideration of the item on the agenda.

## **CONSENT CALENDAR**

### **ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION**

### **DISCUSSION AND POTENTIAL ACTION ITEMS**

1. General Staff Updates and Introduction of New City Staff
2. Low and Moderate Income Housing Fund Due Diligence Review
3. Discussion of Developing a Property Disposal Strategy
4. Oversight Board Communications

### **ADJOURNMENT**

# **Bell Oversight Board**

## **Staff Report**

**Oversight Board Meeting Date:** October 4, 2012

**TO:** Honorable Oversight Board Members

**FROM:** Successor Agency Staff

**SUBJECT:** Due Diligence Review for the Low and Moderate Income Housing Fund

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### **RECOMMENDATIONS:**

That the Oversight Board:

- 1) Receive via resolution and review the Due Diligence Review for the Low and Moderate Income Housing Fund pursuant to Health and Safety Code Section 34179.5; and
- 2) Convene the Public Comment Session.

### **DISCUSSION**

Pursuant to Health and Safety Code Section 34179.5, each successor agency must employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

Each review must determine the net balance of the Low and Moderate Income Housing Fund (LMIHF) and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities as of June 30, 2012 (Due Diligence Review). In summary, such amount is calculated by determining the total value of assets and cash and cash equivalents in the LMIHF, and subtracting the following (Restricted Assets):

- (1) restricted funds,
- (2) assets that are not cash or cash equivalents,
- (3) amounts that are legally or contractually dedicated or restricted for the funding of an enforceable obligation, and
- (4) amounts that are needed to satisfy obligations that will be put on the Recognized Obligation Payment Schedule (ROPS) for the current fiscal year.

Also, the amount determined to be available for allocation to taxing entities includes the value of assets, cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the former redevelopment agency or the successor agency to the city, another public agency or private person if an enforceable obligation to make that transfer did not exist. The Due Diligence Review documents the Restricted Assets and provides the respective amounts, sources and purposes for which the Restricted Assets should be retained. The Bell Successor Agency selected MGO to complete this review of the LMIHF.

After transmittal of the Due Diligence Review by the successor agency, Health and Safety Code Section 34179.6 requires each successor agency to submit the Due Diligence Review to the oversight board for the oversight board's review and approval. Upon receipt of the Due Diligence Review, the oversight board must convene a public comment session to take place at least five business days before the oversight board holds the approval vote. The oversight board also must consider any opinions offered by the county auditor-controller on the review results submitted by the successor agency.

By October 15, 2012, the oversight board must review, approve, and transmit the Due Diligence Review to the State Department of Finance (DOF) and the county auditor-controller. The oversight board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval must occur in public sessions. The oversight board may request from the successor agency any materials it deems necessary to assist in its review and approval of the determination. It is important to note that Section 34179.6 empowers the oversight board to authorize a successor agency to retain a portion of the Restricted Assets.

The DOF must complete its review of the Due Diligence Review no later than November 9, 2012, and must notify the oversight board and the successor agency of its decision to overturn any decision of the oversight board to authorize a successor agency to retain Restricted Assets. The DOF must provide the oversight board and the successor agency an explanation of its basis for overturning or modifying any findings, determinations, or authorizations of the oversight board. The successor agency then has the option to meet and confer with DOF to discuss any modifications.

By December 1, 2012, the county auditor-controller must provide DOF a report specifying the amount submitted by each successor agency from the LMIHF, and specifically noting any successor agency that failed to remit the full required amount.

Section 34179.5 also requires a similar review of all other non housing funds and accounts held by the successor agency to determine unobligated balances available for transfer to taxing entities. The review for all other non housing funds and accounts must be completed by December 15, 2012 and the county auditor-controller has an April 20, 2013 deadline to provide DOF the report specifying the amount submitted by

each successor agency from all other funds and accounts, and specifically noting any successor agency that failed to remit the full required amount.

Upon full payment of the amounts determined in the Due Diligence Review and the subsequent review conducted for all other funds and accounts, payment of the “surplus” tax revenues due on July 12, 2012, and any unpaid or underpaid pass through payments owed for fiscal year 2011-12, DOF will issue to the successor agency, within five business days, a Finding of Completion of the requirements of Section 34179.6. A Finding of Completion then allows, amongst other things, the Successor Agency to begin disposing of non housing properties.

### **Upcoming Oversight Board Meetings**

As previously shared with the Oversight Board, the next Oversight Board meeting to consider approving the DDR to the LMIHF has been scheduled for October 12, 2012, at 5:30 pm.

### **FISCAL IMPACT:**

None at this time.

### **ATTACHMENTS:**

- Due Diligence Review of LMIHF
- Resolution to Receive Due Diligence Review of LMIHF

## RESOLUTION NO. 2012-75

### **A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE BELL COMMUNITY REDEVELOPMENT AGENCY ACKNOWLEDGING THE RECEIPT OF THE DUE DILIGENCE REVIEW OF THE LOW AND MODERATE INCOME HOUSING FUND CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5**

**WHEREAS**, Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Bell Community Redevelopment Agency transferred to the control of the Successor Agency to the Bell Community Redevelopment Agency (the "Successor Agency") by operation of law.

**WHEREAS**, Health and Safety Code Section 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

**WHEREAS**, Health and Safety Code Section 34179.6 requires the Successor Agency to submit the results of the review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (the "LMIHF") and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Due Diligence Review") to the Successor Agency's Oversight Board (the "Oversight Board") for the Oversight Board's review and approval.

**WHEREAS**, Pursuant to Health and Safety Code Sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the Due Diligence Review and a copy of the Recognized Obligation Payment Schedule ("ROPS").

**WHEREAS**, Pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Due Diligence Review, and at least five business days before the Oversight Board considers the approval of the Due Diligence Review, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the results of the Due Diligence Review and at which time the Oversight Board considers the opinions, if any, offered by the county auditor-controller on the results of the Due Diligence Review.

**WHEREAS**, On the date of this Resolution, the Oversight Board will hold the Public Comment Session pursuant to Health and Safety Code Section 34179.6(b).

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE BELL COMMUNITY 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 acknowledges receipt of the Due Diligence Review to the Low and Moderate Income Housing Fund.

**Section 3.** The staff and the Board 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.

**PASSED AND ADOPTED** this 4th day of October, 2012.

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CHAIR, OVERSIGHT BOARD

ATTEST:

\_\_\_\_\_  
SECRETARY, OVERSIGHT BOARD

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_ ) SS

CITY OF \_\_\_\_\_ )

I, \_\_\_\_\_, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at a meeting of the Oversight Board, held on the 4<sup>th</sup> day of October, 2012.

AYES:                      BOARD MEMBERS:  
NOES:                      BOARD MEMBERS:  
ABSENT:                    BOARD MEMBERS:

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SECRETARY, OVERSIGHT BOARD

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Chair

ATTEST:

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Secretary