



# Oversight Board Agenda

Special Meeting

City of Bell

**Monday, May 5 2014  
5:30 P.M.**

Bell City Hall  
Council Chambers  
6330 Pine Avenue

Alicia Romero  
Chair

Nancy Fong  
Vice-Chair

Edgar Cisneros  
Oversight Board Member

Andrew Sanchez  
Oversight Board Member

Megan Moret  
Oversight Board Member

John Walsh  
Oversight Board Member

Rosie Vasquez  
Oversight Board Member

## **Welcome to the Oversight Board Meeting**

City of Bell and staff welcome you. This is your City Government. Individual participation is a basic part of American Democracy and all Bell residents are encouraged to attend meetings of the City Council. Oversight Board meetings are held in the Bell Council Chambers, 6330 Pine Avenue. For more information, you may call City Hall during regular business hours 8:00 a.m. to 4:00 p.m., Monday through Friday at (323) 588-6211 Extension 205.

### Addressing the Oversight Board

If you wish to speak to the Oversight Board on any item which is listed or not listed on the Oversight Board Agenda, please complete a *Request to Speak Card* available in the meeting room. Please submit the completed card prior to the meeting.

### Compliance with Americans with Disabilities Act

The City of Bell, in complying with the Americans with Disabilities Act (ADA), request individuals who require special accommodation(s) to access, attend, and or participate in a City meeting due to disability. Please contact the City Clerk's Office, (323) 588-6211, Ext. 205, at least one business day prior to the scheduled meeting to insure that we may assist you.

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

**SPECIAL MEETING AGENDA**

**CITY COUNCIL CHAMBERS**

**MONDAY, MAY 5, 2014  
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 Special Meeting on May 5, 2014 at 5:30 P.M., at Bell City Hall to consider the following:**

**CALL TO ORDER**

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Pledge of Allegiance  
Roll Call  
Changes to the Agenda

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**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 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**

1. Approval of Minutes of the February 27, 2014 Oversight Board Meeting
2. Approval of Minutes of the April 24, 2014 Oversight Board Meeting

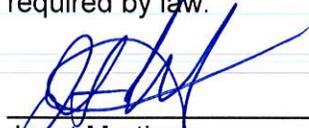
**ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION**

## DISCUSSION AND POTENTIAL ACTION ITEMS

1. Consideration of Resolution No. 2014-05 OB approving and transmitting the Due Diligence Reviews of the low and moderate income housing fund and other funds
2. Discussion of Oversight Board meeting dates and times
3. Oversight Board Communications

## ADJOURNMENT

I, Janet Martinez, Interim City Clerk of the City of Bell, certify that a true and accurate copy of the forgoing agenda was posted on May 1, 2014, at least 24 hours prior to the meeting as required by law.



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Janet Martinez  
Interim City Clerk

## MINUTES

### Special Meeting Bell Oversight Board

Thursday, February 27, 2014

Bell City Council Chambers  
6330 Pine Avenue

Called to Order by Oversight Board Chair Quintana at 5:24 P.M.

Roll call of the Oversight Board:

**Present:** Oversight Board members Quintana, Sanchez, Vasquez and Fong  
(4)

**Absent:** Cisneros, Walsh, Moret (3)

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#### **Communications from the Public**

None

#### **Approval of Meeting Minutes**

By consensus, the Oversight Board approved the minutes from the September 23, 2013 Oversight Board meeting.

#### **General Updates on Long Range Property Management Plan and Due Diligence Reviews:**

Successor Agency staff stated that the Due Diligence Reviews (DDR's) are almost complete. After they are complete, the Long-Range Property Management Plan (LRPMP) can be completed. Rosenow-Spevacek Group is working with Staff to complete the Plan.

#### **Review and Approval of the Successor Agency ROPS:**

Ms. Acosta mentioned that there are some new line-items on the ROPS including costs for the Werrlein property demolition and \$75,000 for housing authority administration costs per AB 471.

Chairperson Quintana asked Ms. Acosta to introduce herself and explain that she is replacing Matt McCleary as the Successor Agency consultant.

Boardmember Vasquez asked what constitutes a housing asset. Ms. Acosta defined a housing asset as an asset purchased or used by the former-redevelopment agency for housing purposes. Chairperson Quintana asked if the housing assets will be included on the LRPMP. Ms. Acosta explained that housing assets have already been transferred to the housing authority and would not be on the LRPMP.

Chairperson Quintana requested that Ms. Acosta explain each item on the ROPS. Ms. Acosta went through each ROPS obligation individually.

Boardmember Vasquez asked about the status of the DDR's. Successor Agency staff explained

that the reports were almost complete.

Chairperson Quintana asked whether the pension override obligation is a revived item and how the total obligation amount was determined. Ms. Acosta explained that the pension override obligation was denied by DOF and is being revived on ROPS 14-15A in protest. Ms. Acosta explained that the total outstanding amount includes the estimate for the current period and any outstanding balances from past years.

Successor Agency staff showed slides of the Werrlein Property to explain the need for demolition. Boardmember Vasquez asked if the property would be immediately demolished if the obligation was approved on the ROPS. Staff explained that the Successor Agency would still have to approve the demolition, seek bids, and enter into a contract, so no, the demolition would not occur immediately. Chairperson Quintana asked how the estimate was derived. Staff explained that the estimate was based on informal proposals submitted by contractors. Boardmember Vasquez asked if the Werrlein property would be listed on the LRPMP. Staff responded yes.

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Ms. Acosta explained the process for sale of properties listed on the LRPMP and stated that the Oversight Board will be allowed to approve the sale of all properties on the LRPMP.

Boardmember Vasquez asked if the Successor Agency has been receiving the RPTTF it has been asking for. Ms. Acosta stated that it was.

**Motion to approve the Resolution to approve the ROPS14-15A**

**In Favor: Vasquez, Sanchez, Quintana, and Fong**

**Opposed: none**

**Abstain: none**

**Oversight Board Communications**

None

**Meeting Adjourned: 5:52 pm**

**MINUTES**  
**Special Meeting**  
**Bell Oversight Board Meeting**  
**Bell City Council Chambers**  
**Thursday, April 24, 2014 at 5:30 P.M.**

**Meeting was called to order by Vice Chair Fong at 6:01 P.M.**

**Pledge of Allegiance** led by Vice Chair Fong.

**Roll Call of the Oversight Board:**

**Members Present:** Board Members Cisneros, Romero, Vasquez and Vice Chair Fong (4)

**Members Absent:** Board Members Moret, Sanchez, and Walsh (3)

**Staff present:** Community Development Director Joe Perez; Community Services Director, Pamela Yugar, Finance Director Josh Betta; Felix Acosta, RSG Consultant, Secretary, Angela Bustamante.

**Changes to the Agenda**

None.

**Announcements**

None.

**Presentations, Appointments, and Proclamations**

None.

**Public Comment**

**Speaker:**

1. Trinidad Ruiz with the Southeast Development Corporation.

**Elections of Chairperson:**

Secretary Bustamante announced that it was time to select a member to the Office of Chair.

Vice Chair Fong nominated Board Member Romero to the Office of Chair.

Board Member Romero nominated Vice Chair Fong to the Office of Chair.

Hearing no further nominations, Secretary Bustamante called the roll for the first nominee.

Ayes: Board Member Cisneros, Romero, Vasquez, and Vice Chair Fong  
Noes: None  
Absent: Board Members Moret, Sanchez, and Walsh.  
Vote: 4-0

Motion Unanimously Passed.

Pursuant to a roll call vote, Board Member Romero will be selected to serve as Chair.

**Consent Calendar:**

**1. Approval of Minutes of the February 27, 2014 Oversight Board Meeting**

Board Member Cisneros requested to take action on the minutes when all members of the board are presented and expressed his interest in continuing the item.

It was moved by Board Member Cisneros, seconded by Vice Chair Fong to continue the minutes to the next meeting.

Ayes: Board Member Cisneros, Romero, Vasquez, and Vice Chair Fong  
Noes: None  
Absent: Board Members Moret, Sanchez, and Walsh.  
Vote: 4-0

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Motion Unanimously Passed.

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**Discussion and Potential Action Items**

**1. Consideration of Resolution No. 2014-03 OB receiving and convening a public comment session for the Due Diligence Reviews of the low and moderate income housing fund and other funds.**

Finance Director, Josh Betta provided a report, noting that per the Department of Finance (DOF), the Due Diligence Review (DDR) Reports had to be adopted by the Oversight Board after the five (5) day of public comment period. Mr. Betta also noted that due to the unforeseen events that occurred during the past few years, the City has not met the deadline set by the DOF and urges the board to approve the said reports as soon as possible.

Felix Acosta, RSG Consultant, informed the Oversight Board the process that needs to take place in order to have the reports approved and the City's obligations after they have been approved.

Board Member Vasquez inquired whether the Successor Agency approved the DDR.

In response to Ms. Vasquez' inquiry, Mr. Betta stated that the item was taken to the Successor Agency for informational purposes only and noted that the Oversight Board will need to approve the reports in order to forward them to the DOF.

Chair Romero requested for directions on the necessary actions that need to be taken prior to approving the report.

In response to Ms. Romero's inquiry, Ms. Acosta noted that staff is recommending to approve the proposed resolution, open public comment and allow five (5) days to allow the public to submit any challenges.

Chair Romero opened the public comment period.

Hearing none, Vice Chair Fong motioned to approve Resolution No. 2014-03, opening the public comment period for five (5) days. It was seconded by Board Member Cisneros which carried the following vote:

Ayes: Board Member Cisneros, Romero, Vasquez, and Vice Chair Fong  
Noes: None  
Absent: Board Members Moret, Sanchez, and Walsh.  
Vote: 4-0

Motion Unanimously Passed.

**2. Consideration of Resolution No. 2014-04 OB approving of governmental use property located at 4357 gage Avenue to the City of Bell**

Community Development Director, Joe Perez provided a report on item no. 2. Mr. Perez noted that the Successor Agency currently owns a property that was used for recreational purposes. He stated that the Dissolution Act allows the City to forgo a property management plan and allow the property to be transferred to the City. The transfer will allow the City to enter into nonprofit agreements and use the building for vocational activities.

Board Member Vasquez inquired if the City of Bell would receive rent.

In response to Ms. Vasquez' inquiry, Community Services Director, Pamela Yugar, stated that Mr. Ruiz and Mr. Motts agreed to give computer classes in lieu of rent. Per the City's agreement, if they choose not to provide computer lessons, Mr. Ruiz and Mr. Motts will be responsible to remit an amount for rent.

Mr. Perez also explained that the proposed contracts would have to be approved by the City Council.

Chair Romero inquired if the property could be remodeled or used for a different purpose.

In response to Chair Romero's inquiry, Mr. Perez noted that the City can change the purpose of its use, as long as the City is using the property for governmental purposes.

Board Member Cisneros inquired zoning area for said property.

In response to Mr. Cisneros' inquiry, Mr. Perez stated it was a Z3R zone, mixed of commercial and residential.

Board Member Cisneros inquired whether the city had the ability to designate the property as open space after it is approved.

Mr. Perez noted that the decision would be determined by the City Council.

Board Member Cisneros inquired how the board can be guaranteed that the property would not be used for other purposes other than recreational purposes.

In response to Mr. Cisneros' inquiry, Mr. Perez noted that the decision of any future changes is out of his control, as City Council would have the last word of any future changes for the purpose of the facility.

Chair Romero noted that the City Council is currently being pressured to re-open this facility for the same public use. She stated that the Council is trying to preserve as many properties for public usage.

Board Member Cisneros thanked Chair Romero for her response.

Hearing no further questions, Board Member Cisneros motioned to approve Resolution No. 2014-04. Motion was seconded by Vice Chair Fong.

Ayes: Board Member Cisneros, Romero, Vasquez, and Vice Chair Fong  
Noes: None  
Absent: Board Members Moret, Sanchez, and Walsh.  
Vote: 4-0

Motion Unanimously Passed.

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### **3. General update on ROPS 14-15A Meet and Confer items**

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Felix Acosta, RSG Consultant, provided a brief report. She noted that the Oversight Board previously approved the ROPS, which were submitted to DOF within the timeframe required. She also noted that the DOF has denied two items on the ROPS; one of them being the pension override payment and the second was the request for administrative cost for housing authority to pay for the maintenance of the housing assets. She also provided additional details on the pension override issue and the administrative costs. Last, she noted that the City is requesting a meet and confer with the DOF to discuss both issues.

Vice Chair Fong inquired if she has heard of what other cities have done that have similar issues.

In response to Ms. Fong's inquiry, Ms. Acosta noted that there are a few cities that are willing to sue.

### **4. Oversight Board Communications**

Board Member Cisneros inquired if the Oversight Board per its by-laws had a regular scheduled meeting.

Mr. Joe Perez noted that the Oversight Board currently does not have a regular scheduled meeting but if the Board wishes staff can place the item on the agenda for further discussion.

Board agreed to complete a survey monkey of everyone's schedule and bring back an item to the Board for further discussion.

**Chair Romero adjourned the meeting at 7:02 P.M.**

## City of Bell Agenda Report

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DATE: May 5, 2014

TO: Honorable Oversight Board Members

FROM: Successor Agency Staff

APPROVED  
BY:

  
\_\_\_\_\_  
Doug Willmore, City Manager

SUBJECT: Resolution No. 2014-05 OB approving and transmitting the Due Diligence Reviews of the low and moderate income housing fund and other funds

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### RECOMMENDED ACTION

It is recommended that the Oversight Board adopt Resolution No. 2014-05 OB approving and transmitting the Due Diligence Reviews of the low and moderate income housing fund and other funds.

### BACKGROUND

One of the primary goals of Assembly Bills x1-26 and 1484, together known as the "Dissolution Act", is to seize all unencumbered redevelopment funds (exclusive of bond proceeds) that were held by redevelopment agencies. These unencumbered funds are to be remitted to the County Auditor Controller for distribution to all affected taxing agencies, according to their proportional general levy share. In order to determine the amount of unencumbered fund balance, two Due Diligence Reviews (DDR's) must be prepared by independent auditors for all successor agencies pursuant to Health and Safety Code Section 34179.5. The first DDR is strictly for the former Redevelopment Agency Housing Set Aside Fund (the Housing DDR), and the second is for all other funds (Non-Housing DDR).

The DDR's must be conducted by professional accounting firms according to a set of procedures generally designed to track fund and asset transfers, fund balances, revenues, and expenditures of redevelopment agencies from January 1, 2011 until June 30, 2012. Ultimately, each DDR results in a calculation of unencumbered fund balances, in addition to identifying certain expenditures or transfers that are disallowed by the Dissolution Act. Upon completion, the DDR's must be submitted to the Oversight Board for approval. As required by the Dissolution Act, the Oversight Board must meet not less than two times regarding the DDR's: (1) at one meeting to receive the report and convene a public comment session (today's agenda item), and (2) at a second meeting to consider the public comments and the results/opinions of the County Auditor Controller to the DDR's (if any), consider approval of the DDR's. The Oversight Board has the ability to adjust amounts identified in the DDR's to reflect any additional

Board has the ability to adjust amounts identified in the DDRs to reflect any additional information or analysis.

At its April 24, 2014 meeting, the Oversight Board adopted Resolution No. 2014-03 OB, convening a public comment session for the DDRs, and opened the meeting for public comments. There was no one who commented on the DDRs during the Oversight Board meeting and, to date, we have received no comments from the public.

Once approved, the DDRs are transmitted to the State Department of Finance (DOF), the State Controller, and the County Auditor Controller. DOF will review submitted DDRs, and may approve, modify, or reject them. If a successor agency disagrees with modification or rejection of a DDR, it may request a Meet and Confer to provide additional information to the DOF.

Once the DDRs are approved by DOF, unencumbered funds identified by the DDRs must be remitted to the County Auditor Controller. This step is required in order to obtain a Finding of Completion, which allows successor agencies to move forward in the dissolution process, including repayment of legitimate City loans, and submittal of a Long Range Property Management Plan (LRPMP), which can be used to transfer and/or dispose of property held by the successor agency.

Penalties for failure to remit unencumbered fund balances are somewhat nebulous at this time. Assembly Bill 1484 originally provided that DOF could order withholdings of sales tax or property tax revenues from the city that created the former redevelopment agency, but this portion of the legislation failed in a recent court challenge initiated by the City of Vallejo, where the court found such withholdings to be a violation of the State Constitution. The legislation also states that property tax may be withheld from a successor agency, which has not yet been ordered by DOF and consequently not challenged in court. It is unclear if this penalty would affect more than just the administrative allowance, as other withholdings could violate contract law.

## **DISCUSSION & FISCAL IMPACT**

Both DDRs cover the period January 1, 2011 through June 30, 2012. The Housing DDR was due October 1, 2012, and the Non-Housing DDR on December 15, 2012. Given the backlog of audit work required of the City, these deadlines could not be met. Staff communicated this information to the DOF to inform them of progress.

Both DDRs were completed by Macias, Gini & O'Connell, the City of Bell's auditor, in October 2013. Given the relative uncertainty as to the cash holdings of the former Housing Fund, it was decided to delay action on the DDRs until the City's FY 2013 audit was completed. The audit was published on March 31, 2014.

While the Non-Housing DDR identified a negative fund balance that has since been ameliorated through the Recognized Obligation Payment Schedule (ROPs) funding process, the Housing DDR identified an unencumbered fund balance of \$2,963,344. This latter amount, according to the Dissolution Act, should be remitted to the County Auditor Controller. The City's FY 2013 revealed that the former housing fund possesses cash assets of \$2,975,414, an amount sufficient to pay the obligation.

## **ATTACHMENTS**

1. Resolution No. 2014-05 OB
  2. Housing Due Diligence Review
  3. Non-Housing Due Diligence Review
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-

**RESOLUTION NO. 2014-05 OB**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED BELL COMMUNITY REDEVELOPMENT AGENCY APPROVING AND TRANSMITTING THE LOW AND MODERATE INCOME AND OTHER FUNDS DUE DILIGENCE REVIEWS AND TAKING RELATED ACTIONS REQUIRED BY SECTIONS 34179.5 AND 34179.6 OF THE DISSOLUTION ACT**

**WHEREAS**, the Bell Successor Agency ("Successor Agency") is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.*); and

**WHEREAS**, the City of Bell is a municipal corporation and a charter city organized and existing under the Constitution of the State of California ("City"); and

**WHEREAS**, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill x1 26 ("ABx1 26") and invalidated Assembly Bill x1 27; and

**WHEREAS**, the Court's decision results in the implementation of ABx1 26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

**WHEREAS**, the City is, by operation of law, the Successor Agency to the Redevelopment Agency for purposes of winding-down the Redevelopment Agency under ABx1 26 and AB 1484; and

**WHEREAS**, Health & Safety Code Section 34179.5 requires the Successor Agency to employ a licensed accountant to perform a due diligence review for the Low and Moderate Income Housing Fund ("LMIHF") and a due diligence review for all other funds (collectively the "due diligence reviews") and report on the amount of funds transferred from the former Redevelopment Agency; and

**WHEREAS**, on August 30, 2012, the Department of Finance ("DOF") posted on its official website the agreed-upon procedures to conduct the due diligence reviews; and

**WHEREAS**, in accordance with the provisions of the agreed-upon procedures and provisions of H&SC Section 34179.5, Macias, Gini & O'Connell has completed the due diligence reviews, copies of which are attached hereto and incorporated by this reference; and

**WHEREAS**, pursuant to H&SC Section 34179.6(b), upon receipt of the due diligence reviews, and at least five business days before the Oversight Board considers its approval, the Oversight Board must hold a public comment session at which time the public has an opportunity to hear and be heard on the results of the due diligence reviews, 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 reviews; and

**WHEREAS**, on April 24, 2014, the Oversight Board held the public comment session on the due diligence reviews pursuant to H&SC Section 34179.6(b); and

**WHEREAS**, pursuant to H&SC Section 34179.6(c), the Oversight Board must review, approve and transmit to DOF and the county auditor-controller, the determination of the amount of cash and cash equivalents in the Low and Moderate Income Housing Fund and all other funds available for disbursement to taxing entities as determined according to the method provided in H&SC Section 34179.5; and

**WHEREAS**, pursuant to H&SC Section 34179.6(c), the Oversight Board desires to approve the due diligence reviews; and

**WHEREAS**, pursuant to H&SC Section 34179(h), written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, an oversight board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review provided, however the subject report will be considered and acted on pursuant to the process and timing of H&SC Sections 34179.5 and 34179.6; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE**, the Oversight Board to the Successor Agency to the Dissolved Bell Community Redevelopment Agency resolves as follows:

**SECTION 1.** The foregoing Recitals are true and correct and are incorporated herein.

**SECTION 2.** This Resolution is adopted pursuant to H&SC Section 34179.6(c).

**SECTION 3.** The Oversight Board hereby approves the due diligence reviews as presented on file with the Secretary.

**SECTION 4.** Pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, an oversight board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review provided however the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

PASSED, APPROVED and ADOPTED at a meeting of the Bell Oversight Board held on this 5<sup>th</sup> day of May, 2014, by the following vote:

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OVERSIGHT BOARD CHAIR

ATTEST:

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OVERSIGHT BOARD SECRETARY

APPROVED AS TO FORM:

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David Aleshire, CITY ATTORNEY

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I, Janet Martinez, Interim City Clerk, Bell, California, hereby certify that the foregoing resolution was adopted by the Bell Oversight Board to the former Bell Community Redevelopment Agency at the Oversight Board meeting held on the 5<sup>th</sup> day of May, 2014 and passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Oversight Board Secretary

**EXHIBIT A**

**Due Diligence Reviews**

**[Attached behind this page]**

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY**

**Independent Accountant's Report on  
Applying Agreed-Upon Procedures on the  
Successor Agency to the City of Bell Community  
Redevelopment Agency, Except its  
Low and Moderate Income Housing Fund**

**As Prescribed in Section 34179.5 and 34179.6 of  
the California Health and Safety Code**



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**Certified Public Accountants.**

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Walnut Creek

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Century City

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San Diego

Seattle

**Independent Accountant's Report on  
Applying Agreed-Upon Procedures**

We have performed the procedures enumerated in Attachment A, which were agreed to by the Successor Agency to the City of Bell Community Redevelopment Agency (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties), solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency, as prescribed in Sections 34179.5 and 34179.6 of the California Health and Safety Code (Code). Management of the Successor Agency is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the assets transferred from the former redevelopment agency to the Successor Agency, excluding its Low and Moderate Income Housing Fund, the balances available for transfer to the taxing entities or other financial information presented in the attached exhibits. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, the California State Controller's Office, and the California Department of Finance and is not intended to be, and should not be, used by anyone other than these specified parties.

*Macias Jini & O'Connell LLP*

Los Angeles, California  
October 9, 2013

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**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings**

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency (Agency) to the Successor Agency on or about February 1, 2012, excluding the assets that were transferred from the Low and Moderate Income Housing Fund. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

**Finding:** We inquired of the Accounting Manager of the City of Bell's (City's) Finance Department and noted no transfers to the Successor Agency. We determined that while a Successor Agency had been legally established as of February 1, 2012, no fund structure was created to accommodate the financial transactions associated with the dissolution. We noted assets in the amount of \$18,392,802, excluding the Low and Moderate Income Housing Fund assets, remained in the former Community Redevelopment Agency funds as of February 1, 2012. We agreed this amount to the City's accounting records. For the purposes of the agreed-upon procedures set forth herein, we will treat these assets as transfers to the Successor Agency as of February 1, 2012.

2) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers of assets from the former redevelopment agency (excluding payments for goods and services), excluding the Low and Moderate Income Housing Fund, to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers of assets (excluding payments for goods and services) from the Successor Agency, excluding transfers from the Low and Moderate Income Housing Fund held by the Successor Agency, to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

**Findings:** We noted that the State Controller’s Office has not completed its review of transfers as of the date of this report. As such, we performed procedures 2A through 2C.

While a Successor Agency had been legally established as of February 1, 2012, no fund structure was created to accommodate the financial transactions associated with the dissolution. We noted assets in the amount of \$18,392,802, excluding the Low and Moderate Income Housing Fund assets, remained in the former Community Redevelopment Agency funds as of February 1, 2012. For the purposes of the agreed-upon procedures set forth herein, we will treat these assets as transfers to the Successor Agency as of February 1, 2012.

We inquired of the Accounting Manager of the City’s Finance Department and noted that there were no asset transfers (excluding payments for goods and services) from any funds of the former Community Redevelopment Agency or the Successor Agency, excluding its Low and Moderate Income Housing Fund, to the City for the period January 1, 2011 through June 30, 2012.

3) **Procedures:**

If the State Controller’s Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers of assets (excluding payments for goods and services) from the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers of assets (excluding payments for goods and services) from the Successor Agency, excluding transfers from the Low and Moderate Income Housing Fund held by the Successor Agency, to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Findings:** We noted that State Controller’s Office has not completed its review of transfers as of the date of this report. As such, we performed procedures 3A through 3C.

While a Successor Agency had been legally established as of February 1, 2012, no fund structure was created to accommodate the financial transactions associated with the dissolution. We noted assets in the amount of \$18,392,802, excluding the Low and Moderate Income Housing Fund

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

assets, remained in the former Community Redevelopment Agency funds as of February 1, 2012. For the purposes of the agreed-upon procedures set forth herein, we will treat these assets as transfers to the Successor Agency as of February 1, 2012.

We inquired of the Accounting Manager of the City's Finance Department and noted one asset transfer in the amount of \$1,203,778, from the former Community Redevelopment Agency (excluding payments for goods and services), excluding transfers from the Low and Moderate Income Housing Fund, to a public agency or private party for the period from January 1, 2011 through January 31, 2012. Please refer to Exhibit A. No exceptions were noted as a result of this procedure.

We inquired of the Accounting Manager of the City's Finance Department and noted that there were no asset transfers from the Successor Agency (excluding payments for goods and services), excluding transfers from the Low and Moderate Income Housing Fund assets held by the Successor Agency, to any other public agency or private party for the period from February 1, 2012 through June 30, 2012.

4) **Procedures:**

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule (Exhibit B) for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Findings:** We obtained from the Successor Agency a summary of the financial transactions of the former Community Redevelopment Agency and the Successor Agency for the fiscal periods as presented on Exhibit B. We traced the account balances to the accounting records of the former Community Redevelopment Agency and the Successor Agency.

We ascertained that for the periods presented as of June 30, 2010 and 2011 and January 31, 2012, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.

We compared amounts for the fiscal year ended June 30, 2010 to the state controller's report filed for the former Community Redevelopment Agency for that period and noted differences of (\$3,140) in Cash and Investments, (\$1) in Accounts Receivable, (\$10,877) in Due from Other Governments, (\$367,421) in Due from Other Funds, and (\$363,719) in Advances to Other Funds; resulting in a net difference in Total Assets of (\$745,158). We also noted differences of \$4,983 in

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

Accrued Payroll, \$39,833 in Due to Other Governments, (\$168,784) in Other Liabilities, (\$330,295) in Due to Other Funds, \$5,338,567 in Advances from Other Funds, and \$17,000 in Deferred Revenue; resulting in a net difference in Total Liabilities of \$4,901,304. The differences in Total Assets and Total Liabilities resulted in a net difference in Equity of (\$5,646,462). We also noted differences of (\$898,127) and (\$1,320,966) in Total Revenues and Total Expenditures/Expenses, respectively; resulting in a difference in Net Change in Equity of \$422,839. Please refer to Exhibit B for the results of this procedure.

5) **Procedure:**

Obtain from the Successor Agency a listing of all assets of all funds of the Successor Agency as of June 30, 2012, excluding assets of its Low and Moderate Income Housing Fund. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the AUP report.

**Finding:** While a Successor Agency had been legally established as of February 1, 2012, no fund structure was created to accommodate the financial transactions associated with the dissolution. We noted assets in the amount of \$18,392,802, excluding the Low and Moderate Income Housing Fund assets, remained in the former Community Redevelopment Agency funds as of February 1, 2012. For the purposes of the agreed-upon procedures set forth herein, we will treat these assets as transfers to the Successor Agency as of February 1, 2012.

We inquired of the Accounting Manager of the City's Finance Department and noted assets in the aggregate amount of \$19,449,157 were held by the Successor Agency at June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund). We traced the asset balances to the accounting records of the Successor Agency. Please refer to Exhibit C for the results of the procedures performed.

6) **Procedures:**

Obtain from the Successor Agency a listing of asset balances of all other funds of the Successor Agency, excluding the previously reported Low and Moderate Income Housing Fund assets, held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

- B. Grant proceeds and program income that are restricted by third parties:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
  - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- C. Other assets considered to be legally restricted:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
  - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Findings:** We noted unspent bond proceeds in an aggregate amount of \$2,040,238 are legally restricted per the 2003 Tax Allocation Refunding Bond official statement. No exceptions were noted as a result of this procedure.

We also noted other assets considered legally restricted in the aggregate amount of \$628,088. Please refer to Exhibit D for the results of the procedures performed.

7) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Findings:** Please refer to Exhibit E for a listing of assets held by the Successor Agency, excluding assets transferred from the Low and Moderate Income Housing Fund that are not liquid or otherwise available for distribution as of June 30, 2012. No exceptions were noted as a result of these procedures.

8) **Procedures:**

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

- a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues:
  - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
  - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
  - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

**Findings:** We inquired of the Accounting Manager of the City's Finance Department and noted that no asset balances need to be retained to satisfy enforceable obligations as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations. In addition, we noted that future revenues together with balances dedicated to or restricted for an enforceable obligation are not insufficient to fund future obligation payments and projected property tax revenues and other general purpose revenues to be received by the Successor Agency are not insufficient to pay bond debt service payments.

9) **Procedure:**

If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 (ROPS 2) and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013 (ROPS 3). For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to

**SUCCESSOR AGENCY TO THE CITY OF BELL  
COMMUNITY REDEVELOPMENT AGENCY  
Attachment A – Agreed-Upon Procedures and Findings (Continued)**

satisfy that obligation and (2) the Successor Agency’s explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Finding:** We inquired of the Accounting Manager of the City’s Finance Department and noted that cash balances as of June 30, 2012, in the amount of \$1,595,411 need to be retained to satisfy certain obligations for the period of July 1, 2012 through June 30, 2013. On January 23, 2013, the Department of Finance issued a final determination approving a total of up to \$1,720,413 (\$1,595,413 for enforceable obligations and \$125,000 for administrative allowances) for the ROPS 3 Schedule covering the period of July 2012 to December 2012. Please refer to Exhibit F for the results of these procedures.

10) **Procedure:**

Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from Successor Agency assets, excluding Low and Moderate Income Housing Fund assets. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment.

**Finding:** Please refer to Exhibit G for the results of this procedure. No exceptions were noted as a result of the procedure.

- 11) Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5 and 34179.6) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management’s refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

**Finding:** We obtained a representation letter from the Successor Agency management acknowledging that they are not aware of any additional transfers that have not been properly identified in Exhibit A, as defined by Section 34179.5 and 34179.6 of the Health and Safety Code, from the former Community Redevelopment Agency or the Successor Agency to other parties for the period January 1, 2011 through June 30, 2012. No exceptions were noted as a result of this procedure.

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY**  
**EXHIBIT A - FORMER REDEVELOPMENT AGENCY, EXCEPT ITS LOW AND MODERATE INCOME HOUSING FUND, ASSET**  
**TRANSFERS TO PUBLIC AGENCIES FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

Asset Description	Name of the Recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer and the date of such requirement.	Finding
1 Cash	U.S. Bank National Association	1/31/2012	\$ 1,203,778	Debt service payment (principal and interest) in the amount of \$1,450,334 for the 2003 Tax Allocation Refunding Bonds, less the 17% that was paid with Low and Moderate Income Housing funds. Payment was due on October 1, 2011, however, the payment was made late on January 31, 2012.	No finding

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY  
EXHIBIT B - CONDENSED SUMMARY OF FINANCIAL DATA**

	Community Redevelopment Agency 12 Months Ending 6/30/2010			Summary Financial Data State Controller's Report 12 Months Ending 6/30/2010			Community Redevelopment Agency 12 Months Ending 6/30/2011			Community Redevelopment Agency 7 Months Ending 1/31/2012		Successor Agency 5 Months Ending 6/30/2012
			Variance									
<b>Assets:</b>												
Cash and Investments	\$ 2,787,249	\$ 2,790,389	\$ (3,140)	\$ 2,971,602	\$ 3,404,558	\$ 829,777						
Restricted Cash and Investments	2,040,119	2,040,119	-	2,040,119	2,040,238	2,040,238						
Accounts Receivable	2,314	2,315	(1)	2,315	2,315	2,315						
Due from Other Governments	333,950	344,827	(10,877)	318,204	-	-						
Due from Other Funds	84,031	451,452	(367,421)	441,148	-	-						
Deferred Loans	17,000	17,000	-	17,000	17,000	-						
Deferred Charges	-	-	-	-	-	732,810						
Advances to Other Funds	1,429,699	1,793,418	(363,719)	1,438,567	1,438,567	-						
Land Held for Development	835,730	835,730	-	835,730	835,730	835,730						
<b>Total Assets</b>	<b>7,530,092</b>	<b>8,275,250</b>	<b>(745,158)</b>	<b>8,064,685</b>	<b>7,738,408</b>	<b>4,440,870</b>						
<b>Liabilities:</b>												
Accounts Payable	1,055	1,055	-	5,192	8,785	655,828						
Accrued Payroll	4,983	-	4,983	-	-	-						
Due to Other Governments	39,833	-	39,833	2,414	-	-						
Interest Payable	-	-	-	-	-	720,853						
Other Liabilities	-	168,784	(168,784)	-	-	-						
Due to Other Funds	121,157	451,452	(330,295)	441,148	514,332	-						
Advances from Other Funds	7,131,985	1,793,418	5,338,567	6,683,230	6,683,230	6,631,985						
Deferred Revenue	17,000	-	17,000	17,000	17,000	-						
<b>Total Liabilities</b>	<b>7,316,013</b>	<b>2,414,709</b>	<b>4,901,304</b>	<b>7,148,984</b>	<b>7,223,347</b>	<b>8,008,666</b>						
<b>Equity</b>	<b>214,079</b>	<b>5,860,541</b>	<b>(5,646,462)</b>	<b>915,701</b>	<b>515,061</b>	<b>(3,567,796)</b>						
<b>Total Liabilities + Equity</b>	<b>7,530,092</b>	<b>8,275,250</b>	<b>(745,158)</b>	<b>8,064,685</b>	<b>7,738,408</b>	<b>4,440,870</b>						
<b>Total Revenues</b>	<b>5,447,360</b>	<b>6,345,487</b>	<b>(898,127)</b>	<b>4,173,299</b>	<b>2,411,316</b>	<b>1,616,077</b>						
<b>Total Expenditures/Expenses</b>	<b>6,503,955</b>	<b>7,824,921</b>	<b>(1,320,966)</b>	<b>3,471,677</b>	<b>2,434,395</b>	<b>1,319,859</b>						
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(377,561)</b>	<b>-</b>						
<b>Extraordinary Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,864,014)</b>						
<b>Net Change in Equity</b>	<b>\$ (1,056,595)</b>	<b>\$ (1,479,434)</b>	<b>\$ 422,839</b>	<b>\$ 701,622</b>	<b>\$ (400,640)</b>	<b>\$ (3,567,796)</b>						
<b>Beginning Equity</b>	<b>\$ 1,270,674</b>	<b>\$ 7,339,975</b>	<b>\$ (6,069,301)</b>	<b>\$ 214,079</b>	<b>\$ 915,701</b>	<b>\$ -</b>						
<b>Ending Equity</b>	<b>\$ 214,079</b>	<b>\$ 5,860,541</b>	<b>\$ (5,646,462)</b>	<b>\$ 915,701</b>	<b>\$ 515,061</b>	<b>\$ (3,567,796)</b>						

**Reconciliation of former Community Redevelopment Agency ending equity as of January 31, 2012 to the Successor Agency's extraordinary loss as of June 30, 2012:**

Community Redevelopment Agency Ending equity	\$ 515,061
Transfer to Housing Successor	(4,379,075)
Extraordinary loss on RDA dissolution	3,864,014
Successor Agency beginning equity	\$ -

**Other Information:**

Capital Assets	\$ 15,765,399		\$ 15,765,399		\$ 15,008,287
Long Term Debt	27,828,091		26,871,638		26,088,685

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY  
EXHIBIT C - SUCCESSOR AGENCY ASSETS,  
EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS**

	June 30, 2012
Cash and Investments	\$ 829,777
Restricted Cash and Investments	2,040,238
Accounts Receivable	2,315
Deferred Charges	732,810
Land Held for Development	835,730
Land	8,286,780
Buildings and Improvements	6,721,507
Total Assets	\$ 19,449,157

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY  
EXHIBIT D - SUCCESSOR AGENCY RESTRICTED ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND  
RESTRICTED ASSETS**

Assets	June 30, 2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
<b>A. Unspent Bond Proceeds</b>				
Cash with Fiscal Agent	\$ 2,040,238	Per bond indenture of the 2003 Tax Allocation Refunding Bonds, (b) "... The Trustee shall deposit the amount of \$2,040,118.76 (which amount constitutes the Reserve Requirement with respect to the Bonds) from Bond Proceeds into the Reserve Account of the Debt Service Fund." The restricted balance represents the fair value of the reserve requirement at June 30, 2012.	U.S. Bank statement at 6/30/12	Bond covenant for 2003 Tax Allocation Refunding Bonds
<b>Total Assets</b>	<u>\$ 2,040,238</u>			
<b>B. Grant Proceeds and Program Income</b>				
None	\$ -			
<b>Total Assets</b>	<u>\$ -</u>			
<b>C. Other Assets Considered Legally Restricted</b>				
Cash for General Obligation Bonds levy	\$ 167,737	Computation by Los Angeles County Auditor-Controller Tax Division per remittance advice for Secured/Unitary 35% Advance	Accounting records	Payment demand per Los Angeles County CRA Remittance Advice, where restriction is in effect until related assets are expended for the intended purpose.
Cash for Pension Obligation Bonds levy	253,997	Computation by Los Angeles County Auditor-Controller Tax Division per remittance advice for Secured/Unitary 35% Advance	Accounting records	Payment demand per Los Angeles County CRA Remittance Advice, where restriction is in effect until related assets are expended for the intended purpose.
Cash for fees for legal services	116,104	Legal services provided for Community Redevelopment Agency from August 2011 through January 2012	Vendor Invoices	Payment request per vendor invoices, where restrictions are in effect until related assets are expended for the intended purpose
Cash retained for professional services	90,250	ROPS approved by Department of Finance	Accounting records and ROPS 1	Cash from ROPS distribution for Feb 1, 2012 to June 30, 2012 that are needed to be retained to satisfy administrative obligations approved by DOF. Restrictions are in effect until related assets are expended for the intended purpose
<b>Total Assets</b>	<u>\$ 628,088</u>			
<b>Summary of Restricted Assets Listed in Tables A, B and C</b>				
	<u>\$ 2,668,326</u>			

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY**  
**EXHIBIT E - SUCCESSOR AGENCY ASSETS OTHER THAN CASH AND CASH EQUIVALENTS, EXCLUDING LOW AND MODERATE**  
**INCOME HOUSING FUND ASSETS**

Asset	June 30, 2012	Basis (i.e. Book Value/ Fair Market Value)	Description of the records provided supporting the book value listed (i.e. previously audited financial statements or the accounting records) and any differences noted. If differences pertain to disposal of assets, note whether the proceeds were deposited into the Successor Agency.	Description of the methodology used to support the market value listed. If no evidence is available to support the value and/or the methodology used, note as a finding in the report.
Accounts Receivable	\$ 2,315	Book Value	Accounting records	N/A
Deferred Charges	732,810	Book Value	Accounting records	N/A
Land Held for Development	835,730	Book Value	Accounting records	N/A
Land	8,286,780	Book Value	Accounting records	N/A
Buildings and Improvements	6,721,507	Book Value	Accounting records	N/A
Total Assets	<u>\$ 16,579,142</u>			

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY  
 EXHIBIT F - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND, THAT  
 ARE NEEDED TO SATISFY OBLIGATIONS ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)  
 FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013**

#	Project Name / Debt Obligation	Redevelopment Project Area	Payee	Revenue Source	Description	Total Estimated Outstanding Debt or Obligation	Projected Payment Dates	Total Due During Fiscal Year	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)					Existing cash needed to satisfy the obligation	Successor Agency rationale for retaining cash balances to satisfy obligations
									Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012		
1	2003 Tax Allocation Refunding Bonds	Merged Redevelopment Project Area	U.S. Bank	Tax Increment Revenue	Bonds issued to fund non-housing and housing projects	\$ 34,081,935		\$ 2,015,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,457,909	Cash from ROPS distribution for July 1, 2012 to December 31, 2012 that are needed to be retained to satisfy obligations approved by DOF.
2	Continuing Disclosure Costs	Merged Redevelopment Project Area	Fiscal Consulting Firm	Tax Increment Revenue	Administration of 2003 Tax Allocation Refunding Bonds	431,665	Annually	20,000	1,667	1,667	1,667	1,667	1,667	10,002	Cash from ROPS distribution for July 1, 2012 to December 31, 2012 that are needed to be retained to satisfy obligations approved by DOF.
3	Trustees fees	Merged Redevelopment Project Area	U.S. Bank	Tax Increment Revenue	Fiscal Agent for administration of the 2003 Tax Allocation Refunding Bonds	107,915	Annually	5,000	417	417	417	417	417	2,502	Cash from ROPS distribution for July 1, 2012 to December 31, 2012 that are needed to be retained to satisfy obligations approved by DOF.
4	Administrative Costs of the Successor Agency	Merged Redevelopment Project Area	Successor Agency	Tax Increment Revenue	Overhead, rent, utilities, equipment, supplies, Oversight Board, and other operational supplies	5,395,835	Monthly	250,000	20,833	20,833	20,833	20,833	20,833	124,998	Cash from ROPS distribution for July 1, 2012 to December 31, 2012 that are needed to be retained to satisfy obligations approved by DOF.

\$ 1,595,411

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY  
EXHIBIT G - SUCCESSOR AGENCY ASSETS, EXCLUDING LOW AND MODERATE INCOME HOUSING FUND ASSETS THAT ARE  
AVAILABLE TO DISTRIBUTE TO AFFECTED TAXING ENTITIES**

**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 (procedure 5)	\$ 19,449,157
Add the amount of any assets transferred to the City or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	2,668,326
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	16,579,142
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	1,595,411
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities/ due from the county	\$ (1,393,722)

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**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT  
AGENCY**

**Independent Accountant's Report on  
Applying Agreed-Upon Procedures on the  
Successor Agency to the Bell Community  
Redevelopment Agency**

**As Prescribed in Section 34179.5  
of the California Health and Safety Code**



**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY**

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**Certified Public Accountants.**

Los Angeles  
777 S. Figueroa Street, Suite 2500  
Los Angeles, CA 90017  
213.408.8700

Sacramento

Walnut Creek

Oakland

Century City

Newport Beach

San Diego

Seattle

**Independent Accountant's Report on  
Applying Agreed-Upon Procedures**

We have performed the procedures enumerated in Attachment A, which were agreed to by the Successor Agency to the City of Bell Community Redevelopment Agency (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties) solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code). The management of the Successor Agency is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A, either for the purpose for which this report has been requested, or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

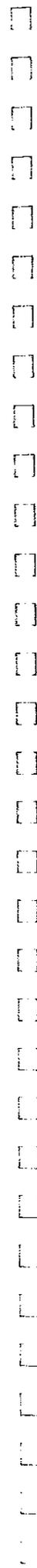
We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund of the former redevelopment agency or other financial information presented in the attached exhibits. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, California State Controller's Office and the California Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties.

*Macias Fini & O'Connell LLP*

Los Angeles, California  
October 9, 2013

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**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings  
Low and Moderate Income Housing Fund**

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency to the Successor Agency on or about February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

**Finding:** We inquired of the Accounting Manager of the City of Bell's (City's) Finance Department with regards to the assets transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency to the Successor Agency on or about February 1, 2012 and as a result, noted no transfers to the Successor Agency. We determined that all assets in the Low and Moderate Income Housing Fund of the former redevelopment agency were transferred to the Community Housing Authority (Housing Successor) through the review of accounting records.

2) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency's Low and Moderate Income Housing Fund to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the low and moderate income housing assets held by the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Findings:** We noted that the State Controller's Office has not completed its review of transfers as of the date of this report. As such, we performed procedures 2A through 2C.

**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings (Continued)  
Low and Moderate Income Housing Fund**

We inquired of the Accounting Manager of the City's Finance Department and noted that the City transferred assets from the former redevelopment agency's Low and Moderate Income Housing Fund to the City for the period from January 1, 2011 through January 31, 2012.

We noted that the City transferred cash and investments in the amount of \$3,517,438, which was not required by one of the Agency's enforceable obligations or other legal requirement. As such, this transfer was noted as a finding. Please refer to Exhibit A for the results of this procedure.

For the period February 1, 2012 through June 30, 2012, we noted no asset transfers from the low and moderate income housing assets held by the Successor Agency to the city, county, or city and county that formed the redevelopment agency.

3) **Procedures:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency's Low and Moderate Income Housing Fund to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the low and moderate income housing assets held by the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Findings:** We noted that State Controller's Office has not completed its review of transfers as of the date of this report. As such, we performed procedures 3A through 3C.

We inquired of the Accounting Manager of the City's Finance Department and noted that there were no asset transfers from the Low and Moderate Income Housing Fund of the former redevelopment agency or the low and moderate income housing assets held by the Successor Agency (excluding payments for goods and services) to any other public agency or to private parties for the period from January 1, 2011 through June 30, 2012.

**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings (Continued)  
Low and Moderate Income Housing Fund**

4) **Procedure:**

Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012. The schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

**Finding:** We inquired of the Accounting Manager of the City's Finance Department and noted that there were no assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012.

5) Obtain from the Successor Agency a listing of asset balances transferred from the Low and Moderate Income Housing Fund held on June 30, 2012, that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

C. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).

**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings (Continued)  
Low and Moderate Income Housing Fund**

- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Findings:** There were no assets transferred from the Low and Moderate Income Housing Fund that were held by the Successor Agency at June 30, 2012, including assets deemed to be unenforceable at Procedures 2 and 3 above, that are unspent bond proceeds or grant proceeds or program income restricted by third parties.

6) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value, as recently estimated by the Successor Agency.
- B. If the assets listed at 6A are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 6B, inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 6A are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Findings:** There were no assets transferred from the Low and Moderate Income Housing Fund that were held by the Successor Agency at June 30, 2012, including assets deemed to be unenforceable at Procedures 2 and 3 above, that are not liquid or otherwise available for distribution.

7) **Procedures:**

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012, that are dedicated or restricted for the funding of enforceable

**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings (Continued)  
Low and Moderate Income Housing Fund**

obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.

- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues, together with balances dedicated or restricted to an enforceable obligation, are insufficient to fund future obligation payments, and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.

**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings (Continued)  
Low and Moderate Income Housing Fund**

- ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

**Findings:** We noted that no assets were transferred from the Low and Moderate Income Housing Fund of the former redevelopment agency to the Successor Agency as of June 30, 2012 including assets deemed to be unenforceable at Procedures 2 and 3 above, that need to be retained to satisfy enforceable obligations.

8) **Procedure:**

If the Successor Agency believes that, as of June 30, 2012, cash balances need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012, and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Findings:** We inquired of the Accounting Manager of the City's Finance Department and noted the Successor Agency did not have any cash balances from the Low and Moderate Income Housing Fund, as of June 30, 2012 that need to be retained to satisfy obligations on the ROPS.

9) **Procedure:**

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities for the Low and Moderate Income Housing Fund. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012, as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment.

**SUCCESSOR AGENCY TO THE CITY OF  
BELL COMMUNITY REDEVELOPMENT AGENCY  
Attachment A - Agreed-Upon Procedures and Findings (Continued)  
Low and Moderate Income Housing Fund**

**Finding:** Please refer to Exhibit B for the results of this procedure. The July 12, 2012 payment in the amount of \$554,094 was made from unencumbered cash and investments transferred noted in Procedure 2. We noted that the balance available for allocation to the affected taxing entity was \$2,963,344.

10) **Procedure:**

Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012, that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

**Finding:** Management acknowledged that they are not aware of any additional transfers that have not been properly identified in Exhibit A and B, as defined by Section 34179.5 of the Health and Safety Code, from assets of the Low and Moderate Income Housing Fund of the former redevelopment agency or the low and moderate income housing assets held by the Successor Agency to other parties for the period January 1, 2011 through June 30, 2012. No exceptions were noted as a result of this procedure.

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**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY**  
**EXHIBIT A - FORMER REDEVELOPMENT AGENCY'S LOW AND MODERATE**  
**INCOME HOUSING ASSET TRANSFERS TO THE CITY**  
**FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

#	Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer and the date of such requirement.	Finding
1	Cash	City of Bell	10/1/2011	\$ 246,557	This is a debt service payment for the 2003 Tax Allocation Refunding Bonds (TARB). The principal amount of the bond issue was \$27,925,000. Amount transferred is 17% of total principal and interest payment of \$1,450,334, which represents Low and Moderate Income Housing Fund's allocation. The transfer was made from the Low and Moderate Income Housing Fund to the Community Redevelopment Agency Debt Service Fund in order to make the scheduled debt service payment that was due on October 1, 2011.	No finding
2	Oaks on Florence, 4224 Florence Avenue	City of Bell Community Housing Authority	1/31/2012	-	Transfer to the City of Bell Community Housing Authority (Housing Successor) is pursuant to Health and Safety Code section 34176 (a)(1), "The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency." The transfer was included in the Housing Asset Transfer Form and approved by the Department of Finance.	No finding
3	Loan Receivable- Dudley and Edith French	City of Bell Community Housing Authority	1/31/2012	12,000	Transfer to the City of Bell Community Housing Authority (Housing Successor) is pursuant to Health and Safety Code section 34176 (a)(1), "The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency." The transfer was included in the Housing Asset Transfer Form and approved by the Department of Finance.	No finding
4	Loan Receivable- Nora Rosado	City of Bell Community Housing Authority	1/31/2012	5,000	Transfer to the City of Bell Community Housing Authority (Housing Successor) is pursuant to Health and Safety Code section 34176 (a)(1), "The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency." The transfer was included in the Housing Asset Transfer Form and approved by the Department of Finance.	No finding
5	Cash Advance for 2009-10 SERAF payment	City of Bell Community Housing Authority	1/31/2012	1,438,567	Transfer to the City of Bell Community Housing Authority (Housing Successor) is pursuant to Health and Safety Code section 34176 (a)(1), "The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency." The transfer was included in the Housing Asset Transfer Form and approved by the Department of Finance.	No finding
6	Cash and investments	City of Bell Community Housing Authority	1/31/2012	3,517,438	Amount represents unencumbered cash and investments transferred to City of Bell Housing Authority. No legal requirement for transfer noted. Exception noted.	Finding noted \$ 3,517,438

**CITY OF BELL COMMUNITY REDEVELOPMENT AGENCY  
EXHIBIT B - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE  
AVAILABLE TO DISTRIBUTE TO AFFECTED TAXING ENTITIES**

**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

Total amount of assets from the Low and Moderate Income Housing Fund that are held by the successor agency as of June 30, 2012 (procedure 4)	\$ -
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	3,517,438
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 5)	-
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 6)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 7)	-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 8)	-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	554,094
Amount to be remitted to county for disbursement to taxing entities	\$ <u>2,963,344</u>

## City of Bell Agenda Report

---

DATE: May 5, 2014  
TO: Honorable Oversight Board Members  
FROM: Successor Agency Staff  
APPROVED BY:   
Doug Willmore, City Manager  
SUBJECT: Oversight Board Meeting Dates and Times

### RECOMMENDED ACTION

It is recommended that the Oversight Board provide direction to Successor Agency staff regarding the dates and times for future meetings.

### BACKGROUND

At its April 24, 2014 meeting, the Oversight Board directed that Bell Oversight Board Members be surveyed about their preferred Oversight Board meeting dates and times. With this information, the Successor Agency can schedule future Oversight Board meetings on a day and time that is convenient to as many Oversight Board members as possible.

### SURVEY RESULTS

Responses were received from six (6) of the seven (7) Oversight Board members. The results are as follows:

#### Days with Five (5) Affirmative Votes:

- 1) Monday Evenings after 5:00 PM (not the 2<sup>nd</sup> Monday of the month)
- 2) Tuesday Evening after 5:00 PM
- 3) Thursday Evenings after 5:00 PM (only the 2<sup>nd</sup> and 3<sup>rd</sup> Thursdays of the month)

#### Days with Four (4) Affirmative Votes:

- 1) Monday Mornings 8:30 AM to 10:00 AM

### DISCUSSION

Since the Oversight Board does not have an established meeting date and time for regular meetings, the Board's meetings have been "special" meetings. If the Board prefers to continue

holding special meetings, staff will use the survey results when scheduling future Oversight Board meetings. The Board also has the option of selecting a specific regular meeting date and time for future Oversight Board meetings, in which case we can bring back a resolution formally establishing the Board's preferred meeting date and time.