



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE SAN CLEMENTE REDEVELOPMENT AGENCY
MEETING DATE: FEBRUARY 26, 2013

Agenda Item A
Approvals:
City Manager
Dept. Head
Attorney
Finance

Department: Finance & Administrative Services
Prepared By: Jake Rahn, Financial Services Manager

Subject: ***STATUS UPDATE ON REDEVELOPMENT AGENCY DISSOLUTION***

Summary: Recently the State of California passed AB 1484, which included a variety of changes to the dissolution process that Successor Agencies are to follow. This report provides a brief status on what the City, as successor agency, has done since the creation of the Oversight Board to dissolve the operations of the former Redevelopment Agency and key upcoming dates.

A list of activities since the creation of the Oversight Board:

April 4 and 16, 2012: The Oversight Board 1) approved the Administrative requirements for the creation of the Oversight Board, 2) approved the Recognized Obligation Payment Schedule (ROPS) I for the period from January 1, 2012 to June 30, 2012, and 3) authorized the transfer of the public use assets to the City of San Clemente as a part of a review of the assets of the former Agency (asset management plan).

June 27, 2012: The Oversight Board approved the ROPS II for the period from July to December 31, 2012. The Auditor Controller made payment into the Redevelopment Property Tax Trust Fund for collected property taxes and distributed excess amounts to taxing entities based on the approved ROPS I.

July 12, 2012: The successor agency, based on an invoice by the County made a payment to auditor-controller in the amount of \$1,161,479 as required under AB 1484. This was subsequently distributed to taxing entities by the County on approximately July 16th.

August 1, 2012: The housing successor agency prepared and submitted to the Department of Finance (DOF) a list of housing assets transferred to the Successor Agency from 2/1/2012 to 8/1/2012. The list includes the Avenida Serra property and \$2.3 million of long term loans that have restrictive affordable housing covenants and maturities from 2024 to 2065. DOF prescribed the format for the list and may object to any of the assets within 30 days.

August 23, 2012: The Oversight Board approved the ROPS III for January 1, 2013 through June 30, 2013, which was submitted electronically to DOF.

October 14, 2012: The DOF issued the approval to the City (Successor Agency) for the ROPS III for the period of January to June 30, 2013.

December 10, 2012: The Oversight Board reviewed and approved the Low and Moderate Income Housing Fund (LMIHF) agreed upon procedures, which was subsequently transmitted to the DOF, and the auditor-controller.

January 4, 2013: DOF completed the review of LMIHF audit and reports findings, determinations allowing only \$13,595 of payments to qualify as enforceable.

January 11, 2013: The Successor agency requested a “meet and confer” to resolve disputes with DOF findings on LMIHF audit. This meet and confer was scheduled for January 28th.

January 28, 2013: The meet and confer was held and additional information was requested from the Successor Agency staff. This information was subsequently provided in electronic format to the DOF.

February 8, 2013: The DOF reissued a revised letter allowing \$87,051 of payments to qualify as enforceable.

February 2013: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of all other fund and account balances by licensed accountant. Also, the ROPS IV(a) is prepared and submitted to the Oversight Board for approval for the period of July to December 31, 2013.

Upcoming important dates, based on the legislation, are the following:

April 1st: DOF completes review of other funds audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets. County auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.

April 6th: No later than 5 days after receiving DOF determination on other funds audit, successor agency may request a “meet and confer” to resolve disputes with DOF findings. DOF must confirm or modify its determination and decisions within 30 days.

April 10th: Successor agency to transfer other “cash and assets” audit payment to auditor-controller if meet and confer process complete.

Upon completion of this process, successor agencies obtaining a “notice of completion” from DOF will qualify for loan repayments to be placed on ROPS.

Recommended

Action: STAFF RECOMMENDS THAT THE OVERSIGHT BOARD
1) Accept and file report.

Fiscal Impact: None