



AGENDA REPORT
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE SAN CLEMENTE REDEVELOPMENT AGENCY
MEETING DATE: AUGUST 23, 2012

Agenda Item 7A
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 4th and 16th: The Oversight Board 1) approved the Administrative requirements for the creation of the Oversight Board, 2) approved the Recognized Obligation Payment Schedule 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 27th: The Auditor Controller made payment into the Redevelopment Property Tax Trust Fund and distributed excess amounts to taxing entities.

July 12th: 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 1st: 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.

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

September 1st: ROPS for January 1, 2013 through June 30, 2013 must be submitted electronically to DOF after oversight board approval with DOF to make determinations within 45 days.

October 1st: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of the LMIHF conducted by a licensed accountant the successor agency must retain. The County auditor-controller must complete the agreed-upon procedures report of the redevelopment agency. The Auditor-controller shall

provide an estimate of property tax payments to successor agency for upcoming six-month period.

October 15th: Oversight Board must review, approve, and transmit the Low and Moderate Income Housing Fund (LMIHF) audit to DOF, auditor-controller.

November 9th: DOF completes review of LMIHF audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.

November 16th: Successor agency may request a “meet and confer” to resolve disputes with DOF findings on LMIHF audit. DOF must confirm or modify its determination and decisions within 30 days.

November 28th: Successor agency to transfer LMIHF funds to auditor-controller.

December 15th: 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.

January 15th: Oversight board must review, approve, and transmit other funds audit to DOF, auditor-controller.

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) Authorize City staff to hire, as necessary, a licensed accountant to perform an audit or review of the Low and Moderate Income Housing Fund which is due October 1st.

Fiscal Impact:

These costs will be funded through an allocation by the County from the Redevelopment Property Tax Trust Fund.

7A-2