

HUNTINGTON BEACH OVERSIGHT BOARD

*of the Successor Agency of the former
City of Huntington Redevelopment Agency*

Special Meeting Agenda

November 8, 2012

4:30 P.M.

City Hall, 2000 Main Street, Civic Center Lower Level,
Room B-7, Huntington Beach, CA 92648



BOARD MEMBERS: City of Huntington Beach appointee **Mayor Don Hansen**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew "Andy" Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee **Joe Carchio**

CALL TO ORDER: 4:30 P.M.

ROLL CALL: Chair Hansen, Vice Chair L. Dunn, Bone, A. Dunn, Delgado, Fritzal and Carchio

PLEDGE OF ALLEGIANCE: To be announced.

SUPPLEMENTAL COMMUNICATIONS: Announced by Board Secretary.

PUBLIC COMMENTS: *This is the portion of the meeting for any member of the public to address the Oversight Board on any matter not on the agenda that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.*

BUSINESS:

- 1) **Receive Due Diligence Review of the Low and Moderate Income Housing Fund Balance/Convene Public Comment Session pursuant to AB 1484 requirements**

Recommended Board Action:

Receive Due Diligence Report to review for adoption at the next meeting.

MEMBER REPORTS/ANNOUNCEMENTS:

ADJOURNMENT: The next special meeting is scheduled for Friday, November 16 2012, at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

This agenda contains a brief general description of each item the Oversight Board will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 536-5227 or view the Agenda and related materials on the City's website at <http://www.huntingtonbeachca.gov>. Materials related to an item on this Agenda submitted to the Oversight Board after distribution of the Agenda Packet are available for public inspection in the City Clerk's Office at 2000 Main Street, Huntington Beach, California during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 536-5227. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)

AGENDA REPORT
**Oversight Board of the Successor Agency to the
Redevelopment Agency**

MEETING DATE: November 8, 2012

SUBJECT/ACTION: Receive the Housing Fund Due Diligence Review and
Convene the Public Comment Session

RECOMMENDED ACTION: Motion to:

- 1) Receive the Housing Fund Due Diligence Review prepared by auditors for the Low and Moderate Income Housing Fund (Housing Fund); and
- 2) Convene the Public Comment Session.

BACKGROUND:

Pursuant to Assembly Bill 1484 and Health and Safety Code Section 34179.5, each successor agency must contract with County approved auditors to conduct a Due Diligence Review to determine the unobligated balances in the former redevelopment agency's Housing Fund as of June 30, 2012, which are considered available for transfer to taxing entities. The CPA firm of Vavrinek, Trine, Day Company, LLP (VDT) was retained by the Huntington Beach Successor Agency to conduct this review.

The unobligated balances are determined by taking the total value of assets, cash and cash equivalents in the Housing Fund and subtracting "Restricted Assets", which include non-cash assets such as real property and loans receivable, funds restricted for enforceable obligations, and amounts needed to satisfy obligations on the Recognized Obligation Payment Schedule ("ROPS") for the current fiscal year. The amount available for allocation to taxing entities also includes the value of assets transferred after January 1, 2011 through June 30, 2012, by the former redevelopment agency or the successor agency to the City, another public agency, or private person if an enforceable obligation for that transfer did not exist. The Due Diligence Review documents the Restricted Assets and provides the respective amounts, sources, and purposes for which the Restricted Assets should be retained.

DISCUSSION:

Each successor agency is required to submit the Due Diligence Review to their Oversight Board for review and approval in a two step process. For Huntington Beach this means that the Board will be asked at their November 16, 2012

meeting to vote on a resolution to approve receiving the Due Diligence Review and to convene a public comment session at that meeting. At least five business days after the public comment meeting (November 8, 2012), the Oversight Board holds a second meeting to vote on the approval of the Due Diligence Review.

The Oversight Board may adjust any amount in the review to reflect additional information and it may authorize the Successor Agency to retain the Restricted Assets. After the Board's approval, the State Department of Finance (DOF) will review the Due Diligence Review and must notify the Oversight Board and the Successor Agency if it decides to overturn any Board decisions to authorize the Successor Agency to retain Restricted Assets. The DOF must provide the Oversight Board and the Successor Agency an explanation of its basis for overturning or modifying any authorizations of the Oversight Board. The Successor Agency then has the option to meet and confer with DOF to discuss any modifications.

By December 1, 2012, the County Auditor-Controller must provide DOF a report specifying the amount submitted by each successor agency from their Housing Fund.

A similar review of all other funds (non-housing) held by the Successor Agency is to be completed by December 15, 2012, to determine other unobligated balances available for transfer to taxing entities. Upon full payment of the amounts determined in the Due Diligence Review and the subsequent review of all other funds, DOF is to issue to the Successor Agency, within five business days, a finding of completion.

SUMMARY:

The Oversight Board is asked to receive and review the Due Diligence Review of the former Huntington Beach Redevelopment Agency's Low and Moderate Income Housing Fund prepared by the auditors. The Board is also asked to convene a public comment session at their meeting. The Board will be asked to vote to approve the Due Diligence Review at their scheduled meeting of November 16, 2012.