

CITY OF SOLANA BEACH



AGENDA

Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency SPECIAL MEETING

Tuesday, October 9, 2012

4:30 P. M.

City Hall, 635 S. Highway 101, Solana Beach, California

AGENDA MATERIALS

A full agenda packet including relative supporting documentation is available at City Hall and on the City's website www.cityofsolanabeach.org. Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings. Writings and documents regarding an agenda of an open session meeting, received after the official posting, and distributed to the Board for consideration, will be made available for public viewing at the same time. In addition, items received at least 1 hour 30 minutes prior to the meeting time will be available for public viewing. Materials submitted for consideration should be forwarded to the City Clerk's department 858-720-2400. The designated location for viewing public documents is the City Clerk's office at City Hall during normal business hours.

SPEAKERS

Please submit a speaker slip to the City Clerk/Secretary prior to the meeting, or the announcement of the Section/Item, to provide public comment.

AMERICAN DISABILITIES ACT TITLE 2

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

BOARD MEMBERS

Timothy P. Coughlin
San Diego County Board of Supervisors

Jeanne Deaver
Santa Fe Irrigation District

Doug Sheres, Vice Chair
San Diego County Board of Supervisors

Thomas Golich, Chair
City of Solana Beach

James Austin
California Community Colleges / MiraCosta

Carlos Estrella
San Diego County Board of Education

David Ott
City of Solana Beach

Kendall Berkey, General Counsel

Angela Ivey, Secretary

SPEAKERS:

Please submit your speaker slip to the Secretary prior to the meeting or the announcement of the Item.

CALL TO ORDER AND ROLL CALL:

FLAG SALUTE:

APPROVAL OF AGENDA:

CHAIR AND BOARDMEMBERS' COMMENTS

PUBLIC COMMENT

This portion of the agenda provides an opportunity for members of the public to address the Oversight Board of the Successor Agency on items relating to the Board's subject matter and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the Secretary. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the Board on public comment items. The Board may refer items for placement on a future agenda.

BOARD BUSINESS

1. Waive reading of text of resolutions.

2. Minutes of the Oversight Board.

The Successor Agency recommends that the Oversight Board:

- 1) Approve the Minutes of the Oversight Board held August 23, 2012 and October 1, 2012.

3. Due Diligence Review of Low and Moderate Income Housing Fund of the Solana Beach Successor Agency.

The Successor Agency recommends that the Oversight Board:

- 1) Hear continued public comment on the Due Diligence Review of the Low and Moderate Income Housing Fund prepared for the Solana Beach Successor Agency, and close the public comment period; and
- 2) Adopt Oversight Board **Resolution OBSA-011** to Approve the Due Diligence Review and to Authorize the Solana Beach Successor Agency and the City of Solana Beach to Retain \$195,699 for Payment of Enforceable Obligations.

ADJOURN:

AFFIDAVIT OF POSTING:

*STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF SOLANA BEACH*

I, Angela Ivey, Secretary, of the Oversight Board to the Successor Agency and City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the October 9, 2012 Regular Meeting was called by Oversight Board to the Successor Agency for the Redevelopment Agency of Solana Beach and was provided and posted on October 5, 2012 at 10:45 a.m. on the City Bulletin Board at the entrance to City Hall. Said meeting is held at 4:30 p.m., October 5, 2012, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, Secretary
City of Solana Beach, CA

WAIVE TEXT READING OF ORDINANCES AND RESOLUTIONS

Recommendation: Approve waiving the text reading of ordinances and resolutions on this agenda pursuant to Solana Beach Municipal Code Section 2.04.460.

City of Solana Beach
Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency
SPECIAL MEETING

MINUTES

Minutes contain a summary of discussions and resulting actions

Thursday, August 23, 2012, 4:30 P. M.

City of Solana Beach, City Hall, 635 S. Highway 101, Solana Beach, California

CALL TO ORDER AND ROLL CALL:

Present: Thomas Golich (City of Solana Beach), Doug Sheres (San Diego County of Supervisors Representative), David Ott (Solana Beach City Manager), Timothy P. Coughlin (San Diego County Board of Supervisors), James Austin (Ca. Community colleges, MiraCosta), Jeanne Deaver (Santa Fe Irrigation District).

Absent: Carlos Estrella (San Diego County Board of Education/Solana Beach School District).

Also Present: Kendall D. Berkey (Counsel), Johanna Canlas (City Attorney), Angela Ivey (City Clerk), Marie Berkuti (Finance Manager).

Chairman Golich called the meeting to order at 4:32 p.m.

APPROVAL OF AGENDA:

Motion by Boardmember Coughlin and Seconded by Boardmember Austin to approve the agenda. **Motion carried 6/0/1 (Absent: Carlos Estrella).**

CHAIR AND BOARDMEMBERS' COMMENTS:

Chairman Golich requested to receive the agenda packet earlier for future meetings, whenever possible.

PUBLIC COMMENT (limited to 3 minutes per speaker) None.

BOARD BUSINESS

1. Waive reading of text of resolutions.

Motion by Boardmember Austin and Seconded by Boardmember Sheres. **Motion carried 6/0/1 (Absent: Carlos Estrella).**

2. Minutes of the Oversight Board.

Recommendation: That the City Council

- a. Approve the Minutes of the Oversight Board held April 12, 2012.

Kendall Berkey, Counsel, stated that the timelines reported on Item 2 of the April 12, 2012, minutes had since changed, that the Oversight Board actions were subject to review by the State Department of Finance had changed from 3 days to 5 days, and the 10 days to review the matter in which the Dept. of Finance could approve or

send back items for reconsideration had now changed to 40 days, with the exception of the ROPS which was subject to a 45 day review. Boardmembers continued to discuss that the two motions listed under Item 7 and whether there should only be one motion. Staff stated that the minutes for this item could be corrected as a typo, that one of the motions should be removed, and that the Clerk would review the meeting audio and make the correction to the April 12, 2012 minutes.

Motion by Boardmember Sheres and Seconded by Boardmember Coughlin. **Motion carried 5/1/1 (Absent: Carlos Estrella) (Abstain: Austin).**

3. Approval of Second Loan Agreement between the City and the Successor Agency to assist in payment of the Successor Agency's enforceable obligations through December 31, 2012

Recommended Action:

- a. Adopt **Resolution OBSA-008** approving the Second Loan Agreement between the City and the Successor Agency to the Solana Beach Redevelopment Agency.

Marie Berkuti, Finance Manager, stated that the 2nd loan agreement was approved by the City Council in May or June, that the county only provided \$80,000 for the 1st ROPS, there was a loan to pay for the first and second ROPS, and that additional funds were needed to pay the 2nd ROPS, a loan was needed so that funds would not be used from the General Fund, that the initial loan agreement was for up to \$374,000, and that the repayment of loan borrowed for this 6 month period was expected to be \$115,000.

Boardmembers and Staff discussed that clarification was needed on the agenda report regarding the payment that the county made for the Redevelopment Trust Fund for ROPS 2, that the payment for ROPS 2 was \$88,000, that payments that were previously issued in December and would now be issued in January., that payments coming from the county would be June 1st of every year and Jan 2nd of every year, that Redevelopment Agencies had typically received property tax in December, and that now the county collected payments, placed them into an account, and then distributed payments to Successor Agencies.

Boardmembers and Staff discussion continued regarding that funds were paid out ahead of when they were due, that it created a cash flow problem with several Successor Agencies, the loan that was being requested from the Successor Agency was not to exceed \$374,669.22, the loan would be paid with property taxes funds plus interest, the interest on the loan was less than 1%, interest was being paid by the Successor Agency, and that the loan would be paid when there was extra money in the trust fund.

Discussion continued regarding that sponsoring agency loans were paid when funds were left over, that legislation allowed the Oversight Board to approve these loans, the loans were not valid unless they were approved, the loans had to be placed on the ROPS, that there should be an addition to the resolution to allow for the pledging

of property taxes to be used to repayment of loans, that the City had to loan money to the Successor Agency to pay off the loans until such time it was caught up, and that the Boardmembers wanted to be certain that there were not any violations of agreements occurring.

Motion by Boardmember Deaver and Seconded by Boardmember Sheres. **Motion carried 6/0/1 (Absent: Carlos Estrella).**

4. Approving the Successor Agency Administrative Budget and Recognized Obligation Payment Schedule for the Period Ending June 30, 2013 and Making Related Findings and Declarations and Taking Related Actions in Connection Therewith.

Recommended Action:

- a. Adopt **Resolution OBSA-009** approving the Successor Agency Administrative Budget for the period January 1, 2013 to June 30, 2013 and making related findings and declarations and taking related actions in connection therewith.

Motion by Boardmember Coughlin and Seconded by Boardmember Sheres to approve the item. **Motion carried 6/0/1 (Absent: Carlos Estrella).**

- b. Adopt **Resolution OBSA-10** approving Recognized Obligation Payment Schedule for the period January 1, 2013 to June 30, 2013 and making related findings and declarations and taking related actions in connection therewith.

Motion by Boardmember Coughlin and Seconded by Boardmember Ott to approve the item. **Motion carried 6/0/1 (Absent: Carlos Estrella).**

Marie Berkuti, Finance Manager, passed out a new revised first page of the budget. She stated that the admin budget attached to the Staff Report was from January 1st – June 30th, that it was the same budget from the second half of the year, and that it would be transferred to the ROPS. She stated there was a new form that was distributed by the Department of Finance (DOF) last week, that the ROPS that went to Council was on the old form, and that the first page of the document was the ROPS Successor Agency contact information. She reviewed the budget forms, stated that the document followed the same information that was on ROPS 1 and 2, that the first four items were related to the tax increment bond that the former Redevelopment Agency implemented in 2006. She reviewed debts, stated that with the new forms no longer required for payments to be shown by months, that they were a total and listed where the payments came from, reviewed the administrative budget, stated that the Due Diligence review was on hold, and that the Certified Public Association (CPA) was working with the DOF on what the audit entailed, that the CPA had concerns about liability on their part if they did something that would not agree with the DOF. She reviewed budget categories which included staffing and materials, how a loan from the City to the Successor Agency was and carried over to the next ROPS since there were not enough funds received from the county to pay it, the full \$374,000 was not borrowed because only \$115,000 was needed for the loan on the 2nd ROPS, there was \$125,000 for administrative allowance, and that there was a total of \$795,066 RPTTF requested funds, She stated that there

was a note on the forms for clarification to DOF for the reason of borrowing money, that the notes section was added because the DOF form did not allow much space to include explanations, that the DOF had asked for reports far in advance and they were difficult to modify without going back to the Oversight Board and other processes involved, the report was done in February and it was unknown of what was happening with pass-throughs so this was why Fraiser and Associates was placed on the report since it was on the 1st ROPS. She stated that instructions were not clear on how to enter information on the form, that there had been a lot of clarification since the report was initially prepared in February.

Kendall Berkey, Counsel, stated that there should be clarifications to the report and suggested including modifying #14 Health and Safety Code to include the code reference of Health and Safety Code 34171 d.1.(F) regarding enforceable obligations, that Health and Safety Code 34180 (b) should be added to allow the pledging of property taxes, that the certification section of the Oversight Board Chairman should read "I hereby certify based on my information and belief that the above is true and accurate," on the front of the ROPS.

Boardmembers discussed that the 3rd ROPS was adopted, the next expected meeting schedule, that the Due Diligence review was supposed to be prepared by Oct 1st and submitted to the Oversight Board by Oct 15th to review and provide a determination, a public meeting would be needed of the Oversight Board 5 days prior to the determination of the Due Diligence Review, it was not a public hearing but just a public meeting/comment session, that there would be no vote at the meeting, and that another meeting would be held at least 5 days after the meeting for a vote.

ADJOURN:

Chairman Golich adjourned the meeting at 5:50 p.m.

Angela Ivey, Secretary

Approved:

City of Solana Beach
Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency
SPECIAL MEETING

MINUTES

Minutes contain a summary of discussions and resulting actions.

Monday, October 1, 2012

4:30 P. M.

City of Solana Beach, City Hall, 635 S. Highway 101, Solana Beach, California

CALL TO ORDER AND ROLL CALL:

Present: Thomas Golich (City of Solana Beach), Doug Sheres (San Diego County of Supervisors Representative), David Ott (Solana Beach City Manager), Timothy P. Coughlin (San Diego County Board of Supervisors), James Austin (Ca. Community Colleges, MiraCosta), Carlos Estrella (San Diego County Board of Education/Solana Beach School District).

Absent: Jeanne Deaver (Santa Fe Irrigation District), Also Present: Kendall D. Berkey (Counsel), Johanna Canlas (City Attorney), Angela Ivey (City Clerk), Marie Berkuti (Finance Manager).

Boardmember Golich called the meeting to order at 4:30 p.m.

CHAIR AND BOARDMEMBERS' COMMENTS None

MINUTES: None

PUBLIC COMMENT (limited to 3 minutes per speaker) None

BOARD BUSINESS

1. Due Diligence Review Report Related to the Low and Moderate Income Housing Funds, Pursuant to 2012 Assembly Bill 1484 (Public Comment).

- 1) Take public comment on the Due Diligence Review for the Solana Beach Successor Agency.
- 2) Close the public comment session; and
- 3) Continue the matter to October 9, 2012, for adoption of a resolution transmitting the Due Diligence Review to the County Auditor-Controller, Department of Finance, and State Controller.

Marie Berkuti, Finance Manager, presented the Staff Report to the Board. She reviewed the list of "Agreed-Upon Procedures" for the Due Diligence for the Low and Moderate Housing Fund.

Boardmembers discussed the formatting of the list of procedures and requested that the Staff confirm that the formatting was acceptable with the auditors.

Chair Golich opened the item to public comment.

No public speakers.

Boardmembers reached consensus to leave the public comment open and continue the meeting to Tuesday, October 9, 2012 at 4:30 p.m. for further potential public comment at that time.

Kendall D. Berkey, Legal Counsel, stated that Boardmembers would be reviewing the findings at the next meeting and would be asked to adopt a resolution approving the review for transmittal to the DOF, the State Controller, and the County Auditor-Controller.

ADJOURN:

Chairman Golich adjourned the meeting at 4:53 p.m.

Angela Ivey, Secretary



STAFF REPORT OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE SOLANA BEACH REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Oversight Board
FROM: David Ott, Executive Director
MEETING DATE: October 9, 2012
ORIGINATING DEPT: Successor Agency of the Solana Beach Redevelopment Agency
SUBJECT: **Due Diligence Review of Low and Moderate Income Housing Fund of the Solana Beach Successor Agency**

BACKGROUND:

Health & Safety Code Section 34179.5 provides for a "Due Diligence Review" of the available cash assets of the Solana Beach Successor Agency pursuant to "Agreed-Upon Procedures" adopted by the California Department of Finance (DOF). The first Due Diligence Review, for the Successor Agency's Low and Moderate Income Housing Funds, has been completed and was transmitted to the Oversight Board prior to the Board's October 1, 2012 meeting.

The Due Diligence Review found that approximately \$2,000 in Low and Moderate Income Housing Funds were transferred to the Successor Agency after dissolution of the Redevelopment Agency, and \$193,699 was transferred to the City of Solana Beach between January 1, 2011 and January 31, 2012. The Agreed-Upon Procedures allow the City and the Successor Agency to retain funds designated for enforceable obligations. Since all of the funds were dedicated for the funding of enforceable obligations, the Due Diligence Review found that no payment was owed to the County for disbursement to taxing entities.

The Oversight Board must review and approve the Due Diligence Review after hearing public comment and must make certain findings to allow the City and the Successor Agency to retain Housing Funds. At the October 1 meeting, no members of public submitted comments, and the Board continued public comment to this meeting to provide an additional opportunity for public input.

CITY COUNCIL ACTION: _____ _____

DISCUSSION:

The Oversight Board must adopt a resolution pursuant to Health & Safety Code Section 34179.6(c) to approve the Due Diligence Review and to implement the findings of the Due Diligence Review by allowing the City and Successor Agency to retain the \$195,399 to pay enforceable obligations. Resolution No. 011 is attached making the required findings. It is recommended that the Board adopt Resolution No.011 after hearing any additional public comment.

At the last Oversight Board meeting, a question was raised regarding whether the signature of the accounting firm (Lance Soll & Lunghard, LLP) should have been placed after the procedures, which are referenced in the report as Attachment A. Frank North, the Audit Manager, responded that while technically this is correct, due to the voluminous requirements (Attachment A) and procedures performed (Attachments B1 through B11), the firm elected to reference those requirements and procedures in its letter before the signature.

Next Steps:

The Resolution approved by the Oversight Board and the Due Diligence Review will be sent to DOF, State Controller, and County Auditor. DOF may adjust the amounts determined to be available for allocation to the taxing entities but must complete its review by November 9, 2012.

The Successor Agency can request a meet and confer session with DOF within five business days of receipt of DOF's determination (and no later than November 16, 2012 for the LMIHF Review) if it disagrees with any changes made by DOF. DOF is required to meet and confer and make a decision within 30 days of the request.

Successor Agencies are required to transmit the funds determined to be available for allocation to the taxing entities within five business days of final notification by DOF. AB 1484 provides that, if the Successor Agency fails to transmit the funds:

- DOF can order an offset of the City's sales and use tax. If DOF does not order such an offset, the County Auditor-Controller can offset property tax owed to the City; and
- As an alternative, DOF can order the County Auditor-Controller to offset the amounts owed against future distributions from the RPTTF to the Successor Agency pursuant to Section 34183.

These provisions regarding the withholding of taxes are the subject of current court challenges.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

OPTIONS:

- Approve staff recommendation.
- Provide direction.

SUCCESSOR AGENCY RECOMMENDATION:

The Successor Agency recommends that the Oversight Board:

1. Hear continued public comment on the Due Diligence Review of the Low and Moderate Income Housing Fund prepared for the Solana Beach Successor Agency, and close the public comment period; and
2. Adopt Oversight Board Resolution No. 011 to Approve the Due Diligence Review and to Authorize the Solana Beach Successor Agency and the City of Solana Beach to Retain \$195,699 for Payment of Enforceable Obligations.

EXECUTIVE DIRECTOR'S RECOMMENDATION:

Approve Successor Agency Recommendation



David Ott, Executive Director

Attachments:

1. Due Diligence Review for the Solana Beach Successor Agency
2. OBSA No. 11



**Successor Agency
of the Former Solana Beach Redevelopment Agency**

**Due Diligence Review
of the Low and Moderate Income Housing Fund
Pursuant to Sections 34179.5(c)(1) through
34179.5(c)(3)
and Sections 34179.5(c)(5) through 34179.5(c)(6)
of Assembly Bill No. 1484 of 2012**

Lance Soil & Lunghard, LLP

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Suite 203
Brea, CA 92821

41185 Golden Gate Circle
Suite 103
Murrieta, CA 92562

Successor Agency
of the Former Solana Beach Redevelopment Agency

Due Diligence Review
of the Low and Moderate Income Housing Fund
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(3)
and Sections 34179.5(c)(5) through 34179.5(c)(6)
of Assembly Bill No. 1484 of 2012



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Successor Agency of the
Former Solana Beach Redevelopment Agency
City of Solana Beach, California

We have performed the procedures enumerated in Attachment A for the Low and Moderate Housing Fund, which were agreed to by the California State Controller's Office and the State of California Department of Finance (State Agencies) solely to assist you in ensuring that the dissolved redevelopment agency is complying with Assembly Bill 1484, Chapter 26, Section 17's amendment to health and safety code 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Management of the successor agency is responsible for providing all the information obtained in performing these procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As stated above, the scope of this engagement was limited to performing the procedures identified in Attachment A, which specified the "List of Procedures for the Due Diligence Review" obtained from the California Department of Finance Website.

The results of the procedures performed are identified in Attachment B1 through B11.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of a certified opinion as to the appropriateness of the results of the procedures performed. 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 the Successor Agency.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency and the applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Brea, California
September 20, 2012

List of Procedures for Due Diligence Review of the Low and Moderate Housing Fund

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on 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.
2. 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 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 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.
3. 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 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 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.

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

4. Perform the following 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 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.
5. 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 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, 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 listing should be attached as an exhibit to the appropriate AUP report.
6. Obtain from the Successor Agency a listing of asset balances 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).

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

- 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.
- 7. Perform the following:
 - 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 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.
- 8. Perform the following:
 - 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.

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

- 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.
 - 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.

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

- 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.
9. 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 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.
10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. 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. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).
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) 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.

Procedure 1

List of Assets Transferred from the Former Redevelopment Agency to the Successor Agency
Low and Moderate Housing Fund
As of February 1, 2012

ATTACHMENT B1

<u>Asset</u>	<u>Balance at 2/1/2012</u>
Claim on Cash	\$ 2,000
Total Assets transferred:	\$ 2,000

Procedure 2
 Listing of Transfers (excluding payments for goods and services) to the City
 Low and Moderate Housing Fund
 For the Period from January 1, 2011 through June 30, 2012

Describe Purpose of Transfer	Enforceable Obligation (EO)/ Other Legal Requirement (LR)	Amount	Legal Documentation Obtained? (Y/N)
<u>From former Redevelopment Agency to City for January 1, 2011 through January 31, 2012:</u>			
Public improvements and affordable housing grant and cooperation agreement	EO	\$ 137,107	Y
Public improvements and affordable housing grant and cooperation agreement	EO	24,952	Y
Public improvements and affordable housing grant and cooperation agreement	EO	31,640	Y
Sub-total:		<u>193,699</u>	
<u>From Successor Agency to City for February 1, 2012 through June 30, 2012</u>			
None to report			
Sub-total:		<u>-</u>	
Total Transfers to City for 1/1/2011 through 6/30/2012:		<u>\$ 193,699</u>	

Procedure 3

**Listing of Transfers (excluding payments for goods and services) to other public agencies or private parties
Low and Moderate Housing Fund
For the Period from January 1, 2011 through June 30, 2012**

ATTACHMENT B3

No transfers to other public agencies or private parties.

**Procedure 4
Summary of the financial transactions of Redevelopment Agency and Successor Agency
Low and Moderate Housing Fund
Per schedule attached to List of Procedures for Due Diligence Review**

Not applicable to the low and moderate housing fund due diligence review.

Procedure 5
 Listing of All Assets (excluding all assets held by the entity that assumed the housing function)
 Low and Moderate Housing Fund
 As of June 30, 2012

Asset	Amount
Cash	
264-1011	2,000
G/L Account Name	\$ 2,000
TOTAL CASH:	\$ 2,000
TOTAL ASSETS AT 6/30/2012:	\$ 2,000

Procedure 6
Listing of Assets that are restricted
Low and Moderate Housing Fund
As of June 30, 2012

There are no restricted assets.

**Procedure 7
Listing of Assets That Are Not Liquid or Otherwise Available for Distribution
Low and Moderate Housing Fund
As of June 30, 2012**

ATTACHMENT B7

There are no assets that are not liquid or otherwise available for distribution.

Procedure 8a
 Listing of Assets (resources) that are dedicated or restricted for the funding of enforceable obligations
 Low and Moderate Housing Fund
 As of June 30, 2012

Item #	Project Name	Reference	Approved Obligation Amount	Amount Paid in Period Ending June 30, 2012	Amount Restricted for Obligation from June 30, 2012 Balance	Legal Documentation Obtained? (Y/N)
1	Public improvement and low/mod housing cooperation agreement	ROPS January - June 2012 #14 & #15	\$ 49,620,870 \$ <u>49,620,870</u>	\$ 193,699 \$ <u>193,699</u>	\$ 2,000 \$ <u>2,000</u>	Y

Procedure 8b

Listing of Assets (resources) that need to be retained due to insufficient funding for the funding of enforceable obligations
Low and Moderate Housing Fund
As of June 30, 2012

ATTACHMENT B8b

There are no assets that need to be retained due to insufficient funding for the funding of enforceable obligations.

Procedure 8c

Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for bond debt payments
Low and Moderate Housing Fund
As of June 30, 2012

ATTACHMENT B8c

There are no assets that need to be retained due to projected insufficient property tax revenues for bond debt payments.

Procedure 9

**Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for future ROPS
Low and Moderate Housing Fund
As of June 30, 2012**

ATTACHMENT B9

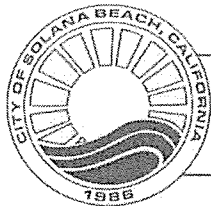
There are no assets that need to be retained due to projected insufficient property tax revenues for future ROPS.

Procedure 10

ATTACHMENT B10

Summary of Low-Mod Balances Available for Allocation to Affected Taxing Entities

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	2,000
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)		
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		
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)		(2,000)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		-
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	\$	-

**CITY OF SOLANA BEACH**

635 SOUTH HIGHWAY 101 • SOLANA BEACH, CALIFORNIA 92075-2215 • (858) 720-2400
www.cityofsolanabeach.org FAX (858) 792-6513 / (858) 755-1782

September 20, 2012

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 North Brea Boulevard, Suite 203
Brea, CA 92821-4056

We are providing this letter in connection with your performance of the Due Diligence Review of the Low and Moderate Housing Fund in accordance with Assembly Bill 1484 for the Successor Agency of the former Solana Beach Redevelopment Agency. We confirm that we are responsible for the complete and fair presentation of the previously mentioned review in conformity with the listed procedures of Assembly Bill 1484 Due Diligence Review as published by the State Department of Finance on August 27, 2012. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud. The representations in this letter are confined to the Low/Moderate Income Housing Fund.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your review:

1. We have made available to you:
 - a. In accordance with 34179.5(c)(1), the dollar value of all assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.
 - b. In accordance with 34179.5(c)(2), the dollar value of all assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. We have also provided the documentation of any enforceable obligation that required the transfer.
 - c. In accordance with 34179.5(c)(3), the dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. We have also provided documentation of any enforceable obligation that required the transfer.
 - d. In accordance with 34179.5(c)(4), the expenditure and revenue accounting information and have identified transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.
 - e. In accordance with 34179.5(c)(5), 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.

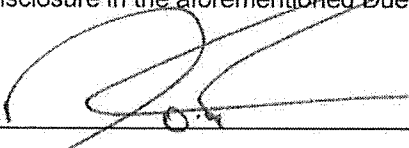
- f. In accordance with 34179.5(c)(5)(B), an itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.
- g. In accordance with 34179.5(c)(5)(C), an itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value.
- h. In accordance with 34179.5(c)(5)(D), an itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, we have provided a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements.
- i. In accordance with 34179.5(c)(5)(E), an itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

"Transfers" or "transferred" for the purposes of the performance of the Due Diligence Review of the Low and Moderate Housing Fund are as defined in Section 34179.5(b)(3).

- 2. There are no material transactions that have not been properly recorded in the accounting records underlying this Due Diligence Review.
- 3. Management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to the City, other agencies or private parties for the period January 1, 2011 through June 30, 2012 that have not been identified in this report and related exhibits.
- 4. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 5. We have no knowledge of any fraud or suspected fraud affecting this Due Diligence Review involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on this Due Diligence Review.
- 6. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 7. When applicable, we have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you have reported to us.
- 8. We have identified to you any previous audits, attestation engagements, performance audits, state controller reports or other studies related to the objectives of this Due Diligence Review and whether related recommendations have been implemented.

9. The Successor Agency of the former Solana Beach Redevelopment Agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
10. In regard to the dissolution of the Redevelopment Agency in accordance with ABx1 26 and AB 1484, we are responsible for compliance with the laws, regulations, provisions of contracts and grant agreements applicable to the Redevelopment Agency.
11. There are no known violations of:
 - a. Laws and regulations,
 - b. Provisions of contracts and grant agreements,
 - c. Provisions related to the dissolution of the Redevelopment Agency in ABx1 26 and AB 1484 whose effects should be considered for disclosure in this Due Diligence Review.
12. All bank accounts and investments associated with this review have been properly reflected in the general ledger accounting records.
13. No events, including instances of noncompliance, have occurred subsequent to the performance of this Due Diligence Review and through the date of this letter that would require adjustment to or disclosure in the aforementioned Due Diligence Review.

Signed: _____



Title: _____

City Manager

Signed: _____



Title: _____

Finance Manager / Treasurer

RESOLUTION OBSA-011

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SOLANA BEACH SUCCESSOR AGENCY, TAKING SPECIFIED ACTIONS WITH RESPECT TO THE HOUSING FUND DUE DILIGENCE REVIEW PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34179.5 AND 34179.6

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the Solana Beach City Council determined that the City of Solana Beach, a California municipal corporation (the "City") would act as successor agency (the "Successor Agency") for the dissolved Solana Beach Redevelopment Agency effective February 1, 2012; and

WHEREAS, pursuant to AB 1484, enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5 (as added by AB 1484), the Successor Agency is required to employ a licensed accountant, approved by the San Diego County Auditor-Controller (the "Auditor-Controller"), to conduct a due diligence review to determine the unobligated balances of the low and moderate income housing fund (the "Housing Fund") available for transfer to taxing entities; and

WHEREAS, the Successor Agency hired an accountant, approved by the Auditor-Controller, to prepare the due diligence review for the Housing Fund (the "Housing Fund Due Diligence Review") in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions and to direct the Successor Agency in certain other actions; and

WHEREAS, pursuant to the Dissolution Act, the Housing Fund Due Diligence Review has been submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval and, in accordance with Health and Safety Code Section 34179.6, the Successor Agency also submitted the Housing Fund Due Diligence Review to the San Diego County Administrative Officer (the

“County Administrator”), the Auditor-Controller, the State Controller (the “Controller”) and the State Department of Finance (“DOF”), along with copies of the Successor Agency’s recognized obligation payment schedules for the Fiscal Year 2012-13, as approved by DOF; and

WHEREAS, in accordance with Health and Safety Code Section 34179.6, the Oversight Board held a public comment session on October 1, 2012 and continued the session to October 9, 2012; and

WHEREAS, the Oversight Board must review, approve and transmit the Housing Fund Due Diligence Review by October 15, 2012; and

WHEREAS, the accompanying Housing Fund Due Diligence Review and the staff report provide supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Housing Fund Due Diligence Review; (2) information provided by the Successor Agency staff; and (3) any information provided by the public at the public comment session held by the Oversight Board on October 1, 2012 and October 9, 2012.

BE IT FURTHER RESOLVED that in accordance with the Dissolution Act and AB 1484, the Oversight Board hereby approves the Housing Fund Due Diligence Review in the form submitted to the Oversight Board.

BE IT FURTHER RESOLVED that, pursuant to Health and Safety Code Section 34179.5(c)(5)(D), the Oversight Board hereby authorizes the Successor Agency and the City to retain current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation, in the amount of One Hundred Ninety Five Thousand, Six Hundred Ninety-Nine Dollars (\$193,699), as demonstrated by Procedure 8a of the Housing Fund Due Diligence Review.

BE IT FURTHER RESOLVED that, as determined according to the method provided in Section 34179.5, the Housing Fund Due Diligence Review determined that no cash and cash equivalents are available for disbursement to taxing entities.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals

necessary or convenient in connection with the approval of the Housing Fund Due Diligence Review and to take any other actions necessary to ensure the validity of the Housing Fund Due Diligence Review and the validity of the retention of the funds specified to be retained by this Resolution. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds identified by DOF as eligible to be retained and may take any other actions required as a result of DOF review of the Housing Fund Due Diligence Review.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Sections 34179(h) and 34179.6.

PASSED AND ADOPTED this 9th day of October, 2012, at a special scheduled meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THOMAS GOLICH, Chair

APPROVED AS TO FORM:

ATTEST:

KENDALL BERKEY, General Counsel

ANGELA IVEY, City Clerk