

OVERSIGHT BOARD RESOLUTION NUMBER OB-2013-4

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY ACCEPTING THE ACCOUNTANT'S REPORT APPLYING AGREED-UPON PROCEDURES TO THE SUCCESSOR AGENCY, INCLUDING THE DETERMINATION OF THE AMOUNT OF NON-HOUSING CASH AND CASH EQUIVALENTS THAT ARE AVAILABLE FOR DISBURSEMENT TO LOCAL TAXING ENTITIES.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Successor Agency is required to administer the winding down of the Former RDA's operations and to ensure compliance with the Former RDA's obligations in accordance with AB 26, as amended by Assembly Bill 1484 (AB 1484); and

WHEREAS, California Health and Safety Code section 34179.5 requires the performance of two due diligence reviews applying agreed-upon procedures, including a review of account balances in the Low and Moderate Income Housing Fund (Housing DDR) and a review of non-housing account balances (Non-Housing DDR), in order to determine the unobligated balances available for transfer to the local taxing entities; and

WHEREAS, pursuant to California Health and Safety Code section 34179.5(a), the Successor Agency selected, and the San Diego County Auditor-Controller (County Auditor) approved, the independent accounting firm of Macias Gini & O'Connell, LLP (MGO) to complete each due diligence review of the Successor Agency; and

WHEREAS, MGO previously completed an initial report and a revised report regarding the Housing DDR, and the DOF issued a final determination on March 27, 2013, concluding that the amount of cash and cash equivalents in the Low and Moderate Income Housing Fund that are available for disbursement to the taxing entities is \$13,244,908, plus accrued interest; and

WHEREAS, more recently, MGO has completed the report applying the agreed-upon procedures for the Non-Housing DDR (MGO Report) in accordance with California Health and Safety Code section 34179.5, a copy of which is included as Attachment A to the accompanying staff report; and

WHEREAS, the MGO Report has determined that the amount of non-housing cash and cash equivalents that are available for disbursement to the taxing entities is \$62,776,180; and

WHEREAS, as required by California Health and Safety Code section 34179.6(b), the Oversight Board held a public comment session regarding the MGO Report and the Non-Housing DDR on May 14, 2013, and held a public hearing to take action on the results of the Non-Housing DDR on the date of this Resolution, as shown below; and

WHEREAS, the County Auditor received a copy of the MGO Report in advance of the public comment session held on May 14, 2013, and has not provided any opinions for the Oversight Board's consideration with respect to the contents of the MGO Report.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Oversight Board accepts the MGO Report, including the determination that the amount of non-housing cash and cash equivalents that are available for disbursement to the taxing entities, as determined according to the method provided in California Health and Safety Code section 34179.5, is equal to \$62,776,180.

2. The Oversight Board directs Successor Agency staff to transmit a copy of this Resolution, together with a copy of the MGO Report, to the DOF and the County Auditor.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on May 28, 2013.



Chair, Oversight Board