City of Long Beach

Legislation Text

File #: 13-002OB, **Version:** 1

Recommendation to adopt resolution approving the results of the Successor Agency Fund (non Housing) Due Diligence Review.

Section 34179.5 of the California Health and Safety Code, as adopted by AS 1484, requires the Successor Agency to employ a licensed accountant to conduct a Due Diligence Review to determine the unobligated balances of the Successor Agency fund (non Housing) available for transfer to taxing entities.

The Due Diligence Review must include the following:

1) The dollar value of assets transferred from the former Redevelopment Agency to the Successor Agency on or about February 1, 2012.

2) The dollar value of assets and cash, and cash equivalents transferred after June 1, 2011 through September 30, 2012, by the former Redevelopment Agency or the Successor Agency to the city that formed the Redevelopment Agency, and the purpose of each transfer.

3) The dollar value of any cash or cash equivalents transferred after June 1, 2011 through September 30,2012, by the former Redevelopment Agency or the Successor Agency to any other public agency or private party and the purpose of each transfer.

4) Balances needed to satisfy the Recognized Obligation Payment Schedule (ROPS) for the 2012-13 fiscal year (ROPS II and III).

5) The review shall total the net balance available after deducting the total amounts described in Items 2 through 4 above.

The "net balance" from Item 5 represents the amount of unobligated Successor Agency funds (non Housing) to be remitted to the County Auditor-Controller for distribution to the taxing entities.

The Successor Agency contracted with the firm of Macias, Gini, and O'Connell, LLP to conduct the Due Diligence Review in accordance with the procedures developed by the California Society of CPAs, with input from the State Controller's Office and the Department of Finance. The results of this review are attached as Exhibit A.

Pursuant to Section 34179.6, the Oversight Board held a public comment session on the results of the Due Diligence Review on December 10,2012. This session was required to be held at least five business days prior to the Oversight Board meeting at which an approval vote is held.

Should the Oversight Board approve this action today, the Due Diligence Review results will be submitted to the Department of Finance and the County Auditor-Controller no later than January 15,

2013, per Health and Safety Code Section 34179.6 (c).

In accordance with Health and Safety Code Section 34179.6 (d), the Department of Finance shall complete its review of the Due Diligence Review results no later than April 1, 2013. The Successor Agency must transmit to the County Auditor-Controller the amount of unobligated Successor Agency funds (non Housing) required pursuant to the determination of the Department of Finance, within five working days of receipt of the notification of its approval of the DueDiligence Review results.

The Department of Finance shall also notify the Oversight Board and the Successor Agency of its decision to overturn any Oversight Board authorizations to retain assets or funds. The Successor Agency may request to meet and confer with the Department of Finance to resolve any disputes regarding the amounts or sources of funds identified as determined by the Department of Finance. The request shall be made within five business days of the receipt of notification of the decision of the Department of Finance to overturn the Oversight Board approval. The Department of Finance shall either confirm or modify its determination and decision within 30 days of the request to meet and confer.

This information was submitted to the City of Long Beach as Successor Agency to the Redevelopment Agency of the City of Long Beach on December 5,2012.

Approve recommendation.

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH APPROVING THE SUCCESSOR AGENCY FUND (NON-HOUSING) DUE DILIGENCE REVIEW

APPROVED:

PATRICK H. WEST
CITY MANAGER