SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
AVALON COMMUNITY IMPROVEMENT AGENCY
THURSDAY, NOVEMBER 29, 2012 – 3:30 P.M.
CITY COUNCIL CHAMBERS 410 AVALON CANYON ROAD, AVALON, CA 90704

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the Oversight Board. Such records shall be available at City of Avalon City Hall located at 410 Avalon Canyon Rd.

CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION / ROLL CALL

ANNOUNCEMENTS / WRITTEN COMMUNICATIONS

ORAL COMMUNICATION

Members of the public may address the Oversight Board at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

GENERAL BUSINESS

1. Minutes from the May 5, 2012 Oversight Board Meeting

Although the live recording is the official record of Oversight Board meetings, minutes are prepared for the Board's approval. Present at the meeting: Robert Kennedy, Gabrielle Morones, Bruce Fertig, Christopher Blehm and James Novak.

Recommended Action

That the Oversight Board adopt a resolution approving minutes from the May 5, 2012 Oversight Board Meeting.

2. Minutes from the August 20, 2012 Meeting

Although the live recording is the official record of Oversight Board meetings, minutes are prepared for the Board's approval. Present at the meeting: Robert Kennedy, Gabrielle Morones, Christopher Blehm, Julie Moore and Mark Taylor.

Recommended Action

That the Oversight Board adopt a resolution approving minutes from the August 20, 2012 Oversight Board Meeting.

3. Minutes from the November 15, 2012 Meeting

Although the live recording is the official record of Oversight Board meetings, minutes are prepared for the Board's approval. Present at the meeting: Robert Kennedy, Gabrielle Morones, Christopher Blehm and Julie Moore.

Recommended Action

That the Oversight Board adopt a resolution approving minutes from the November 15, 2012 Oversight Board Meeting.

4. Review and Approval of Due Diligence Review #1 – Low and Moderate Income Housing Fund

Health and Safety Code Section 34179.5 requires the Successor Agency of the Avalon Community Improvement Agency to prepare a Due Diligence Review of the Low and Moderate Income Housing Fund. The review is to determine the unobligated balances available for transfer to taxing entities from the Low and Moderate Income Housing Fund and all other funds like the Capital Projects Fund and Debt Service Fund. The purpose of DDR #1 is to review and report transactions of the former ACIA and the Successor Agency affecting the Low and Moderate Income Housing Fund, including the transfer of assets that took place in accordance with ABX1 26 and AB 1484 and determine the amount of cash available from the cash balance of the Low and Moderate Income Housing Fund for distribution to taxing entities.

Recommended Action

That the Oversight Board adopt a resolution approving the Due Diligence Review prepared for the Low and Moderate Income Housing Fund in accordance with California Health and Safety Code Section 34179.5.

ADJOURN

NOTICE OF POSTING

I, Denise Radde, declare that the Oversight Board Agenda for the November 29, 2012 special meeting was posted before 3:30 p.m. on Wednesday, November 28, 2012, on the City of Avalon's website www.cityofavalon.com, and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.

Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY

MEETING DATE: November 29, 2012 AGENDA ITEM: 1, 2, 3

ORIGINATING DEPARTMENT: Successor Agency CITY MANAGER: SH

PREPARED BY: Denise Radde

SUBJECT: Minutes to Three Oversight Board Meetings

RECOMMENDED ACTION

That the Oversight Board adopts each resolution approving minutes from the Oversight Board Meetings on May 3, 2012, August 20, 2012 and November 15, 2012.

REPORT SUMMARY:

Although the live recording is the official record of the Oversight Board meetings, minutes are prepared for the Board's approval.

FISCAL IMPACTS: N/A

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: N/A

FOLLOW UP ACTION: N/A

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda.

ATTACHMENTS: Three sets of minutes and resolutions for May 3, 2012, August 20, 2012 and November 15, 2012.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY
MINUTES OF MAY 3, 2012

CALL TO ORDER: 5:07 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Present- Oversight Board members Robert Kennedy, Gabrielle Morones, Bruce Fertig, Christopher Blehm and James Novak. Present via teleconference, Julie Moore. Absent: Mark Taylor. Also present- Director of Finance Betty Jo Garcia, City Clerk Denise Radde, Elizabeth Hull of Best Best & Krieger, and RSG Consultant Ken Lee.

1. Oath of office administered by the City Clerk to board members Kennedy, Morones, Fertig, Blehm, Novak and Moore.

Election of Officers

2. Robert Kennedy was nominated to be the Chairman. Motion by Bruce Fertig, seconded by James Novak. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

3. Bruce Fertig was nominated to be the Vice Chairman. Motion by Robert Kennedy, seconded by Christopher Blehm. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

Presentations

Elizabeth Hull gave a presentation on the:

- Ralph M. Brown Act, Open Meeting Laws
- Duties of the Oversight Board and a summary of AB 1X 26.

There were no announcements, written communications or oral communication from the audience.

General Business

4. Adopted Oversight Board Resolution 12-01 designating Betty Jo Garcia, Director of Finance, as the official whom the State of California Department of Finance may contact pursuant to Health and Safety Code Section 34179(h). Motion by James Novak, seconded by Bruce Fertig. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

5. Adopted Oversight Board Resolution 12-02 providing the time and place for holding the Oversight Board's meetings. Meetings will be held in the City of Avalon's Council Chambers, located at 410 Avalon Canyon Road, Avalon, CA 90704, twice a year, in the months of April and October, on the first Thursday of the month at 3:30 p.m. Motion by Christopher Blehm, seconded by Bruce Fertig. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

6. Adopted Oversight Board Resolution 12-03 approving the Recognized Obligation Payment Schedules for the time periods from January 1, 2012 through June 30, 2012 and from July 1, 2012 through December 31, 2012, pursuant to Health and Safety Code Section 34177(1). Motion by Bruce Fertig, seconded James Novak. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

7. Adopted Oversight Board Resolution 12-04 approving the Successor Agency's administrative budgets for the time periods from February 1, 2012 through June 30, 2012 and from July 1, 2012 through December 31, 2012, pursuant to Health and Safety Code Section 34177(j). Motion by Robert Kennedy, seconded Christopher Blehm. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

8. Adopted Oversight Board Resolution 12-05 directing the transfer of Housing Assets and functions to the Housing Authority of the City of Avalon pursuant to Health and Safety Code Sections 34177 and 34181. Motion by Bruce Fertig, seconded by Christopher Blehm. (6 Ayes- Kennedy, Morones, Fertig, Blehm, Moore and Novak, 1 Absent - Taylor)

Chairman Robert Kennedy adjourned the meeting at 6:20 p.m.

I, Denise Radde, Oversight Board Secretary/City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency meeting of May 3, 2012, is the official record of that Oversight Board Meeting and is on file and maintained in City Hall.

Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY MINUTES OF AUGUST 20, 2012

CALL TO ORDER: 3:37 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Present- Oversight Board members Robert Kennedy, Gabrielle Morones, Christopher Blehm, Julie Moore and Mark Taylor. Absent: Bruce Fertig and James Novak. Also present- Director of Finance Betty Jo Garcia, City Clerk Denise Radde, Elizabeth Hull of Best Best & Krieger, and RSG Consultant Ken Lee.

There were no announcements, written communications or oral communication from the audience.

General Business

1. Adoption of a Resolution for the Successor Agency Administrative Budget for January 1, 2013 through June 30, 2013

Adopted Resolution 12-06 of the Oversight Board (of the Successor Agency to the Avalon Community Improvement Agency) approving a Successor Agency Administrative Budget for the second six-month period of fiscal year 2012-2013 beginning January 1, 2013 and ending June 30, 2013.

2. Adoption of a Resolution of the Recognized Obligation Payment Schedule III

Adopt Resolution 12-07 of the Oversight Board (of the Successor Agency to the Avalon Community Improvement Agency) approving the recognized obligation payment schedule for the third six-month fiscal period beginning January 1, 2013 and ending June 30, 2013.

Chairman Robert Kennedy adjourned the meeting at 4:10 p.m.

I, Denise Radde, Oversight Board Secretary/City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency meeting of August 20, 2012, is the official record of that Oversight Board Meeting and is on file and maintained in City Hall.

Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY MINUTES OF NOVEMBER 15, 2012

CALL TO ORDER: 3:20 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Present- Oversight Board members Robert Kennedy, Gabrielle Morones, Christopher Blehm, Julie Moore. Absent: Bruce Fertig, Mark Taylor and James Novak. Also present- Director of Finance Betty Jo Garcia and City Clerk Denise Radde. Elizabeth Hull of Best Best & Krieger, and RSG Consultant Ken Lee were unable to make this meeting also.

There were no announcements, written communications or oral communication from the audience.

General Business – Public Hearing

1. Due Diligence Review #1 – Low and Moderate Income Housing Fund

Health and Safety Code Section 34179.6(b) requires that the Oversight Board convene a "public comment session" at least 5 business days before it holds an approval vote on the DDR#1, which is scheduled for November 29, 2012 at 3:30 p.m.

Chairman Kennedy opened the public meeting for comment and no comments were received from the audience. Public Hearing was closed.

Chairman Robert Kennedy adjourned the meeting at 3:22 p.m.

I, Denise Radde, Oversight Board Secretary/City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the Oversight Board of the Successor Agency to the Avalon Community Improvement Agency meeting of November 15, 2012, is the official record of that Oversight Board Meeting and is on file and maintained in City Hall.

Denise A. Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED AVALON COMMUNITY IMPROVEMENT AGENCY, APPROVING MINUTES FROM THE OVERSIGHT BOARD MEETING ON MAY 3, 2012

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Avalon ("Successor Agency") is the successor agency to the dissolved Avalon Community Improvement Agency ("Agency"),

WHEREAS, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency's oversight board; and

WHEREAS, pursuant to Health and Safety Code section 34179(e), the Oversight Board is deemed to be a local entity for purposes of the Ralph M. Brown Act (Gov. Code, § 54950 et seq.); and

WHEREAS, Exhibit A, pursuant to Government Code section 54954(a), the Oversight Board desires to provide, by resolution, the minutes from the May 3, 2012 meeting.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Actions. Minutes from the May 3, 2012 meeting.

Section 3. Certification. The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 4. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED AND ADOPTED at a special meeting of the Oversight Board on the 29th day of November, 2012 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

_____
Robert Kennedy, Chairperson

ATTEST:

_____
Denise Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED AVALON COMMUNITY IMPROVEMENT AGENCY, APPROVING MINUTES FROM THE OVERSIGHT BOARD MEETING ON AUGUST 20, 2012

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Avalon ("Successor Agency") is the successor agency to the dissolved Avalon Community Improvement Agency ("Agency"),

WHEREAS, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency's oversight board; and

WHEREAS, pursuant to Health and Safety Code section 34179(e), the Oversight Board is deemed to be a local entity for purposes of the Ralph M. Brown Act (Gov. Code, § 54950 et seq.); and

WHEREAS, Exhibit A, pursuant to Government Code section 54954(a), the Oversight Board desires to provide, by resolution, the minutes from the August 20, 2012 meeting.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Actions. Minutes from the August 20, 2012 meeting.

Section 3. Certification. The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 4. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED AND ADOPTED at a special meeting of the Oversight Board on the 29th day of November, 2012 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

_____
Robert Kennedy, Chairperson

ATTEST:

_____
Denise Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED AVALON COMMUNITY IMPROVEMENT AGENCY, APPROVING MINUTES FROM THE OVERSIGHT BOARD MEETING ON NOVEMBER 15, 2012

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Avalon ("Successor Agency") is the successor agency to the dissolved Avalon Community Improvement Agency ("Agency"),

WHEREAS, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency's oversight board; and

WHEREAS, pursuant to Health and Safety Code section 34179(e), the Oversight Board is deemed to be a local entity for purposes of the Ralph M. Brown Act (Gov. Code, § 54950 et seq.); and

WHEREAS, Exhibit A, pursuant to Government Code section 54954(a), the Oversight Board desires to provide, by resolution, the minutes from the November 15, 2012 meeting.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Actions. Minutes from the November 15, 2012 meeting.

Section 3. Certification. The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 4. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED AND ADOPTED at a special meeting of the Oversight Board on the 29th day of November, 2012 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

_____
Robert Kennedy, Chairperson

ATTEST:

_____
Denise Radde, Oversight Board Secretary/City Clerk

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY

MEETING DATE: November 29, 2012 AGENDA ITEM: 4

ORIGINATING DEPARTMENT: Successor Agency CITY MANAGER: SH

PREPARED BY: Ken Lee, Consultant, RSG, Inc. and Betty Jo Garcia, Finance Director

SUBJECT: Review and Approval of Due Diligence Review #1 – Low and Moderate Income Housing Fund

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RECOMMENDED ACTION

That the Oversight Board adopt a resolution approving the Due Diligence Review prepared for the Low and Moderate Income Housing Fund in accordance with California Health and Safety Code Section 34179.5.

BACKGROUND

DUE DILIGENCE REVIEW #1 – LOW AND MODERATE INCOME HOUSING FUND

Health and Safety Code ("HSC") Section 34179.5 requires the Successor Agency of the Avalon Community Improvement Agency ("Successor Agency") prepare a Due Diligence Review for the Low and Moderate Income Housing Fund ("DDR #1"). The requirement for DDR #1 is new to the ABX1 26 (Chapter 5, Statutes of 2011) wind-down process as a result of AB 1484 (Chapter 26, Statutes of 2012), which took effect on June 27, 2012.

Pursuant to HSC Section 34179.6(c), by October 15, 2012, the Oversight Board is required to review, approve, and transmit the results of DDR #1, including "the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities," to the State and County Auditor-Controller. This deadline date was not met due to staffing and resource constraints of the Successor Agency. DDR #1 was completed and transmitted to the Oversight Board on November 14, 2012. Consistent with HSC Section 34179.6(b), the Oversight Board convened a public comment session on November 15, 2012 on DDR #1 at least five business days before holding the approval vote on DDR #1. No public comments were received.

Preparation of DDR

DDR #1 was prepared by Certified Public Accountants at White Nelson Diehl Evans, LLP, who have historically assisted the former Avalon Community Improvement Agency ("ACIA") in preparing its annual audit. As required by AB 1484, the County Auditor-Controller approved preparation of the DDR by White Nelson Diehl Evans, LLP prior to work commencing.

DDR Determination

In summary, the purpose of DDR #1 is to review and report: (1) Transactions of the former ACIA and the Successor Agency affecting the Low and Moderate Income Housing Fund, including the transfer of assets that took place in accordance with ABX1 26 and AB 1484; and (2) Determine the amount of cash available from the cash balance of the Low and Moderate Income Housing Fund for distribution to taxing entities. Available cash for distribution is determined by confirming the amount of housing assets held by the Successor Agency as of June 30, 2012, and deducting assets and cash balances required to satisfy enforceable obligations or that are legally restricted, including housing bond proceeds. See Schedule 5 of DDR #1 for this calculation, including the determination that a net amount of $1,796,527 is available in the Low and Moderate Income Housing Fund for distribution to taxing entities. This amount is derived by taking the asset balance as of June 30, 2012 of $6,146,451, and deducting $4,349,924 in housing bond proceeds that are restricted by debt covenants. The Successor Agency must remit the cash available for distribution to the County Auditor-Controller within five business days of the Department of Finance ("DOF") making a determination on DDR #1, unless a "meet and confer" request is filed by the Successor Agency.

DUE DILIGENCE REVIEW #2 AND FINDING OF COMPLETION

White Nelson Diehl Evans and Successor Agency staff are currently working to prepare a subsequent Due Diligence Review for all other funds of the former ACIA ("DDR #2"). Pursuant to HSC Section 34179.6(a), DDR #2 must be completed and transmitted to the Oversight Board, County Auditor-Controller, DOF, and State Controller by December 15, 2012, and approved by the Oversight Board on January 15, 2013. DOF must complete its review of DDR #2 by April 1, 2013. Once DDR #1 and DDR #2 are completed and cash balances are distributed, the Successor Agency will be eligible to receive a "Finding of Completion," which has specified benefits.

ENVIRONMENTAL REVIEW

The action taken by the Oversight Board to approve DDR #1 does not create a significant effect on the environment and, therefore, does not constitute a project subject to the requirements of the California Environmental Quality Act.

FISCAL IMPACT

The transfer of unobligated funds from the Low and Moderate Income Housing Fund to taxing entities reduces future funding available for affordable housing projects and programs.

Attachment:

A. Resolution and DDR #1 Agreed Upon Procedures Report Prepared by White Nelson Diehl Evans for the Low and Moderate Income Housing Fund

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY, APPROVING THE REPORT ON THE DUE DILIGENCE REVIEW FOR THE LOW AND MODERATE INCOME HOUSING FUND AND DETERMINING THE AMOUNT OF CASH AND CASH EQUIVALENTS THAT ARE AVAILABLE FOR DISBURSEMENT TO THE TAXING ENTITIES

WHEREAS, Health and Safety Code Section 34179.5 requires the Successor Agency to the Avalon Community Improvement Agency ("Successor Agency") to hire a licensed accountant, approved by the County Auditor-Controller, to conduct a Due Diligence Review to determine the unobligated balances available for transfer to taxing entities; and

WHEREAS, White Nelson Diehl Evans, LLP, conducted a review of the Low and Moderate Income Housing Fund to meet the requirements of Section 34179.5, and prepared a Report on that review; and

WHEREAS, pursuant to Health and Safety Code Section 34179.6(a), the Successor Agency must provide the Oversight Board, County Auditor-Controller, State Controller, and the Department of Finance, the results of the Due Diligence Review of the Low and Moderate Income Housing Fund; and

WHEREAS, following receipt of the Report, the Oversight Board is required to convene a public comment session, to be held not less than 5 days prior to the approval vote by the Oversight Board; and

WHEREAS, the Oversight Board held a public comment session on the Due Diligence Review on November 15, 2012; and

WHEREAS, for the Low and Moderate Income Housing Fund, the Oversight Board must review, approve, and transmit to the Department of Finance and the County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities; and

WHEREAS, Section 34179.6 empowers the Oversight Board to authorize the Successor Agency to retain certain assets or funds, such as restricted funds, including bond or grant funds or cash funds that are required to fund an enforceable obligation, physical assets such as equipment or land; and funds to satisfy obligations that will be placed on the Recognized Obligation Payment Schedule for the current fiscal year; and

WHEREAS, an oversight board that makes that authorization must identify to the Department of Finance the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained; and

WHEREAS, the determination and authorization to retain funds and assets is then subject to the review and approval of the Department of Finance;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The action of the Oversight Board to approve the Report on the Due Diligence Review, authorize the Successor Agency to retain certain assets and funds, and determine the cash and cash equivalents that are available for disbursement to the taxing entities does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of Retention of Assets and Funds. Following its review of the Report on the Due Diligence Review, and the public comments received during the public comment session held on the Due Diligence Review, and pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board hereby approves and authorizes the Successor Agency to retain those assets and funds identified in Exhibit A, attached hereto and incorporated herein by reference. The Oversight Board further approves the purposes for which those funds are being retained, as set forth in the attached Exhibit A.

Section 4. Determination of Cash and Cash Equivalents Available for Disbursement to Taxing Entities. The Oversight Board hereby approves the Report on the Due Diligence Review of the Successor Agency's Low and Moderate Income Housing Fund, in substantially the form on file with the Secretary of the Oversight Board. Based on the information contained in the Report, and those assets and funds to be retained by the Successor Agency as set forth in Exhibit A, the Oversight Board hereby determines that the amount of cash and cash equivalents available for disbursement to the taxing entities is as set forth in the calculation attached hereto as Exhibit B and incorporated herein by reference.

Section 5. Submittal to Department of Finance. The Oversight Board hereby directs staff to submit to the Department of Finance and the County Auditor Controller a copy of the Report and the information on the cash and assets the Oversight Board has determined should be retained by the Successor Agency and the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities, as set forth in Exhibits A and B, attached hereto.

Section 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. Certification. The City Clerk of the City of Avalon, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 8. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 29th day of November, 2012 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Robert Kennedy
Oversight Board Chairperson

ATTEST:

_____
Denise Radde
Oversight Board Secretary

EXHIBIT A

LISTING OF ASSETS AND FUNDS TO BE RETAINED BY THE SUCCESSOR AGENCY

[Insert Schedule 4 from the DDR]

SCHEDULE 4

SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY
AGREED-UPON PROCEDURES RELATED TO THE
LOW AND MODERATE INCOME HOUSING FUND

UNSPENT BOND PROCEEDS

June 30, 2012

		Amounts
Par Amount of 2003 Taxable Housing Tax Allocation Bonds, Series B		$ 7,430,000
Less: Net Original Issue Discount		-
Less: Underwriter's Discount		(36,018)
Bond Proceeds		$ 7,393,982
2003 Series B Bond Proceeds per Transcript		$ 7,393,982
Less: Cost of Issuance		(260,000)
Less: Transfer to Refunding Escrow Bank		(3,502,843)
Net Project Funds		$ 3,631,139
Deposit to Project Fund	Date	$ 3,631,139
Interest earnings	12/17/2003 - 06/30/12	718,785
Project costs drawdowns		-
Total unspent bond proceeds for 2003 Series B Bonds		$ 4,349,924

EXHIBIT B

CALCULATION OF THE AMOUNT OF CASH AND CASH EQUIVALENTS AVAILABLE FOR DISBURSEMENT TO TAXING ENTITIES

[Insert Schedule 5 from the DDR]

SCHEDULE 5

SUCCESSOR AGENCY TO THE AVALON COMMUNITY IMPROVEMENT AGENCY
AGREED-UPON PROCEDURES RELATED TO THE
LOW AND MODERATE INCOME HOUSING FUND

SUMMARY OF BALANCE AVAILABLE FOR ALLOCATION TO AFFECTED TAXING AGENCIES

As of June 30, 2012

Total amount of assets held by the Successor Agency as of June 30, 2012 - (Procedure 5)	$ 6,146,451
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments - (Procedure 6)	(4,349,924)
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)	-
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	-
Add the amount of any assets transferred to the City 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)	-
Amount to be remitted to County for disbursement to affected taxing agencies	$ 1,796,527