



THE CITY OF
NOVATO
CALIFORNIA

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**OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF NOVATO
SPECIAL MEETING**

to be held at
NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE

OCTOBER 3, 2012
1:30 P.M

AGENDA

Matthew Hymel, Chair
County Administrator,
Marin County

A. CALL TO ORDER

Michael Frank, Vice Chair
City Manager, City of
Novato

B. APPROVAL OF FINAL AGENDA

Tony Elshout,
Citizen Appointee

C. PUBLIC COMMENT

At this time, member of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Oversight Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. Upon being acknowledged by the Chair, please step forward and begin by stating and spelling your name.

Al Harrison,
Vice President, College
Operations, College of
Marin

Karen Maloney,
CFO, Novato Unified
School District

D. CONSENT CALENDAR

No items are listed for this section.

Stephen Marshall,
Senior Planner, City of
Novato

E. REGULAR CALENDAR

1. PUBLIC COMMENT AND DISCUSSION ON DUE DILIGENCE REVIEW OF FORMER NOVATO REDEVELOPMENT AGENCY LOW AND MODERATE INCOME HOUSING FUND BALANCES

Recommendation: Receive Public Comment and Discuss.

F. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Vickie Gerber, certify that on September 27, 2012, I caused to be posted the agenda of the open session of the October 3, 2012 special meeting of the Oversight Board of the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at www.cityofnovato.org.

/Vickie Gerber/
Vickie Gerber, Deputy City Clerk

Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato



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STAFF REPORT

MEETING

DATE: October 3, 2012

TO: Oversight Board to the to the Successor Agency to the
Dissolved City of Novato Redevelopment Agency

FROM: Cathy Capriola, Assistant City Manager
Brian Cochran, Finance Manager
Dane Wadlé, Management Analyst II

SUBJECT: Public Comment Session: Results of Due Diligence Review of the former
Novato Redevelopment Agency Low and Moderate Income Housing Fund
Balance

REQUEST

Accept public comment on results of due diligence review (DDR) of Low-Moderate Income Housing Fund balance and discuss DDR.

RECOMMENDATION

None.

DISCUSSION

AB 1484 Requirements

Assembly Bill 1484 (Chapter 26, Statutes of 2012) was signed into law on June 27, 2012. Among other provisions, this legislation added Sections 34179.5 and 34179.6 to the California Health and Safety Code.

Section 34179.5 requires successor agencies to employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available in the former redevelopment agency funds (project fund and Low and Moderate Income Housing Fund) for transfer to taxing entities. The statute also defines various terms and outlines what the due diligence review must include.

Novato City Council Agenda Staff Report Date: _____ File No. _____

Section 34179.6 required the due diligence reviews to be submitted to the Oversight Board for review. AB 1484 further outlines a specific, expedited process for the due diligence review of the Low and Moderate Income Housing Fund, which is the topic of the October 3rd meeting. The Successor Agency must provide the Low and Moderate Income Housing Fund Due Diligence Review report to the Oversight Board, the County Auditor-Controller, the State Controller and the Department of Finance by October 1st, 2012. Successor Agency staff will be distributing this report to the appropriate entities when it is available. The Oversight Board must approve the Low and Moderate Income Housing Fund DDR and transmit the document to the Department of Finance and the County Auditor-Controller by October 15th, 2012.

Of note: the Oversight Board has to approve the due diligence reviews for all other former redevelopment agency funds by January 15th, 2013. Successor Agency staff will be coordinating future meetings with the Oversight Board in the coming months to meet this deadline.

Due Diligence Review:

The due diligence review process has been somewhat delayed due to a variety of factors. First, there was uncertainty as to the implementation of the AB 1484 provisions. For example, representatives from the Department of Finance, the State Controller's office, counties, county-auditor-controllers and CPA firms had to meet to draft standard operating procedures to provide guidance in preparing the DDRs. This process took time. Secondly, it took additional time for the Novato Successor Agency to secure a contract with an accounting firm to complete the review due to the uncertainty of the procedures. Successor Agency staff contacted nine firms about completing the DDR of the Low/Moderate Income Housing Fund. Ultimately, the Agency contracted with R.J. Ricciardi, Incorporated to complete the due diligence review. The review was completed on September 27th.

The Oversight Board Two-Step Public Meeting Process

The Oversight Board must hold two meetings, at least five business days apart, on the due diligence review of the Low/Moderate Income Housing Fund balance. This first meeting is a public comment session, where the Board will hear from members of the public. At this meeting, the Board may consider and/or discuss any opinions offered by the County Auditor-Controller on the review results submitted to the successor agency by the accounting firm. However, the Board may not take action on the DDR at this first meeting.

The second meeting must be held before October 15th, but five business days after the public comment session. (For the Novato Oversight Board, this means October 10th or October 11th, the meeting date is still being determined at this time. Successor agency staff will work with Oversight Board members to schedule the second meeting.) Upon approval by the Oversight Board, the Board must transmit the due diligence review, showing the amount of cash and cash equivalents that are available for disbursement to the local taxing entities, to the Department of Finance and the County Auditor-Controller.

Public Outreach and Communication:

The Successor Agency staff distributed a "Notice Inviting Public Comment" on the DDR to the Marin Independent Journal for posting on September 29. The notice was posted on the City's bulletin boards at the City Administrative Office at 75 Rowland Way and the Police Department building at 909 Machin Avenue and distributed electronically to residents via the City's website

and social media outlets.

FISCAL IMPACT

None.

ATTACHMENTS

1. Due Diligence Review from R.J. Ricciardi, Incorporated (To Be Distributed on September 29th)
2. Notice Inviting Public Comment

Attachment 1 –

The Final Due Diligence Review Completed by R.J. Ricciardi, Incorporated will be distributed and posted on September 29, 2012.

NOTICE INVITING PUBLIC COMMENT

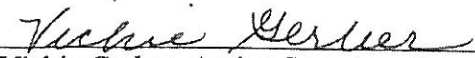
NOTICE IS HEREBY GIVEN that the Oversight Board to the Successor Agency to the Dissolved Redevelopment Agency of the City of Novato, pursuant to Health and Safety Code Section 34179.6(b), invites public comment at its meeting to be held on **October 3rd, 2012, at 1:30 p.m. at the Novato City Council Chambers at 901 Sherman Avenue, Novato, California,** concerning the results of the Due Diligence Review of the Low and Moderate Income Housing Fund balances of the Dissolved Redevelopment Agency of the City of Novato prepared by the firm of R.J. Ricciardi, Incorporated, Certified Public Accountants.

Any member of the public may appear and be heard regarding this Due Diligence Review of the Low and Moderate Income Housing Fund of the Dissolved Redevelopment Agency of the City of Novato.

If you challenge the above in court the challenge may be limited to only issues raised at the public comment session described in this notice.

Copies of the Due Diligence Review of the Low and Moderate Incoming Housing Fund of the Dissolved Redevelopment Agency of the City of Novato are available for inspection by interested persons at the City Clerk's Office, Novato City Hall, 75 Rowland Way, #200, Novato, California 94945, during regular business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (415) 899-8900. Notification by **noon (12pm) on October 2, 2012**, will enable the City to make reasonable arrangements to assure accessibility to this meeting.


Vickie Gerber, Acting Secretary, Oversight Board
to the Successor Agency to the Dissolved
Redevelopment Agency of the City of Novato