



THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way, #200
Novato, CA 94945-3232
415/899-8900
FAX 415/899-8213
www.novato.org

SPECIAL MEETING

OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF NOVATO
to be held at

**NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE**

**January 10, 2013
1:00 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

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

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.

Karen Maloney,
CFO, Novato Unified
School District

D. CONSENT CALENDAR

Stephen Marshall,
Senior Planner, City of
Novato

No items are listed for this section.

Tomas Kaselionis,
Board member, Novato
Fire District

E. REGULAR CALENDAR

1. DISCUSSION AND APPROVAL OF DUE DILIGENCE REVIEW OF FORMER NOVATO REDEVELOPMENT AGENCY PROJECT FUND BALANCES

Recommendation: Approve Due Diligence Review

F. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Carla Hansen, certify that on January 9, 2013, I caused to be posted the agenda of the open session of the January 10, 2013 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.

Carla Hansen
Carla Hansen, 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: January 10, 2013

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
Carla Hansen, Management Analyst

SUBJECT: Discussion and Approval of Due Diligence Review of the former Novato
Redevelopment Agency All Other Funds Balance

REQUEST

Discuss and approve due diligence review (DDR) of All Other Funds balance.

RECOMMENDATION

Approve DDR and direct successor agency staff to transmit DDR to State Department of Finance and the Marin County Auditor-Controller before January 15, 2013.

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 (All Other Funds 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. The Successor Agency provided 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 on October 1st, 2012. The Oversight Board must approved the Low and Moderate Income Housing Fund DDR and transmit the document to the Department of Finance and the County Auditor-Controller by October 15, 2012.

Of note, the Oversight Board needs to approve the due diligence reviews for all other former redevelopment agency funds by January 15th, 2013.

Due Diligence Review:

The Agency contracted with R.J. Ricciardi, Incorporated to complete the due diligence review. The review was completed on December 15th.

The due diligence review found that the All Other Funds data corresponds with Successor Agency internal accounting records and reports sent to the California State Controller's Office. The review also demonstrated that the Fund has few assets. The assets it does have are essentially cash held with the trustee for the 2005 and 2011 Tax Allocation Bonds, in accordance with the relevant bond documents and covenants. The Successor Agency does not have any cash or cash equivalents available to distribute to the taxing entities.

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 All Other Funds balance. The first meeting was a public comment session, which was held on January 3rd and there was no public comment on the Due Diligence Review. The second meeting is conducted for the Oversight Board to receive any additional public comment and approve the review. As noted above, this approval must occur by January 15th.

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 Novato Advance. This notice was posted in the December 20th edition of the Novato Advance. The notice was also 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.

Subsequently, as noted above, the public comment session was held on January 3, 2013, and there was no public comment.

FISCAL IMPACT

None.

ATTACHMENTS

1. Due Diligence Review from R.J. Ricciardi, Incorporated
2. Resolution Approving Due Diligence Review from R.J. Ricciardi, Incorporated
3. January 3, 2013 Meeting Minutes

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF NOVATO APPROVING THE DUE DILIGENCE REVIEW OF ALL OTHER FUNDS OF THE SUCCESSOR AGENCY

WHEREAS, AB 1484 requires that the City of Novato Successor Agency (SA) retain a qualified and licenses accountant to conduct a due diligence review (“Review”) of the former Novato Redevelopment Agency’s (“RDA”) Low and Moderate Income Housing Fund (“LMIHF”) to determine the unobligated balances available for transfer to taxing entities; and

WHEREAS, AB 1484 also required a similar Review for “all other funds”, not including the LMIHF; and

WHEREAS, the SA did, in fact, retain such a qualified accountant who performed said Review and submitted same to the SA on or before December 15, 2012, which was, in turn, provided by the SA to this Oversight Board (“OB”), the State Controller (“SC”) and the State Department of Finance (“DOF”) by no later than December 15, 2012; and

WHEREAS, pursuant to Health & Safety Code §34179.6(b), and on January 3, 2013, this OB held a public comment session to solicit comments from the public and all other concerned parties as to the completeness, accuracy and sufficiency of the Review and its compliance with AB 1484, and specifically with Health & Safety Code §34179.5. This public comment session was publicly noticed in the Novato Advance on December 20, 2012. There was no public comment at the January 3rd comment session; and

WHEREAS, pursuant to Health & Safety Code §34179.6, January 10, 2013, this OB conducted a meeting to consider approving the Review, and during said hearing this OB heard and considered the testimony and other evidence from interested persons and parties as to the adequacy of the Review;

NOW, THEREFORE, the Oversight Board of the Successor Agency of the City of Novato does resolve as follows:

1. Based upon the evidence, testimony and documents presented to the Oversight Board and made part of the record of proceedings before the Oversight Board concerning the Review, the Oversight Board finds and determines that the Review of the former RDA’s “all other funds” is in full compliance with Health & Safety Code §34179.5, and accurately and adequately identifies, quantifies and determines the unobligated balances available for transfer to taxing entities, among other things.

2. The Review is hereby approved, and staff to the Successor Agency of the City of Novato is directed to transmit said Review and a copy of this Resolution to the State Department of Finance and to the Marin County Auditor-Controller by no later than January 15, 2013.

ADOPTED this 10th day of January, 2013, by the following vote:

AYES:
NOES:
ABSENT:

Matthew Hymel, Chairperson

ATTEST:

Clerk to the Successor Agency



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Marin

Karen Maloney,
CFO, Novato Unified
School District

Stephen Marshall,
Senior Planner, City of
Novato

Vacant
Novato Fire Protection
District

Minutes

SPECIAL MEETING

OVERSIGHT BOARD

TO THE SUCCESSOR AGENCY TO THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF NOVATO
to be held at
NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE

January 03, 2013
11:00 A.M

AGENDA

A. CALL TO ORDER

Meeting called to order at 11:00 a.m. In attendance were:

*Board Members: Matthew Hymel, Michael Frank, Tony Elshout,
Stephen Marshall and Dan Hom*

City Staff: Brian Cochran, Carla Hansen and Jeff Walter

Tomas Kaselionis was appointed to the Oversight Board as a representative from the Novato Fire Protection District. Dan Hom was appointed an alternate.

B. APPROVAL OF FINAL AGENDA

The final agenda was approved unanimously

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.

There was no public comment

D. CONSENT CALENDAR

No items are listed for this section.

E. REGULAR CALENDAR

1. PUBLIC COMMENT AND DISCUSSION ON DUE DILIGENCE REVIEW OF FORMER NOVATO REDEVELOPMENT AGENCY ALL OTHER FUNDS BALANCES

Recommendation: Receive Public Comment and Discuss.

B. Cochran provided a brief overview of AB 1484 requiring successor agencies to employ a licensed accountant, approved by the auditor-controller to conduct a due diligence review to determine the unobligated balances available in the former redevelopment agencies.

In October 2012, the Oversight Board approved the due diligence review (DDR) of the Low-Income Moderate Housing Fund. This review was accepted by the State without changes.

The DDR for All Other Funds was completed on December 14, 2012. B. Cochran explained the main points of the review are included in Schedules 1-5 of the report.

- Schedule 1-shows the transfer of assets from the Redevelopment Agency to the Successor Agency at February 1, 2012*
- Schedule 2- shows All Other Funds historical asset transfers back to January 1, 2011*
- Schedule 3- is a balance sheet review at four different dates spanning from June 30, 2010 to June 30, 2012*
- Schedule 4- shows all obligated assets and add-back transfers, as well as any amounts available for distribution to taxing entities*
- Schedule 5- shows all enforceable obligations in a payment schedule as of January 24, 2012*

Board member Frank asked if a similar audit was completed earlier this year, and whether that audit was completed by the same firm. B. Cochran responded that an audit was completed in May 2012 by a firm hired by Marin County. With the Supreme Court ruling still pending, the audit did not have specific calculations or requirements. The law now requires each Successor Agency to hire an independent auditor, approved by the County, to complete the audits.

F. ADJOURNMENT

The meeting was adjourned by Chairman Hymel at 11:11 a.m.

F. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Carla Hansen, certify that on December 20, 2012, I caused to be posted the agenda of the open session of the January 03, 2013 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.

/Carla Hansen/
Carla Hansen, Management Analyst