

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

133



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
November 21, 2012

SUBJECT: Adoption of Resolution 2012-014 to Approve the Report of the Due Diligence Review of the Unobligated Non-Housing Funds and Other Assets of the Successor Agency to the Redevelopment Agency for the County of Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2012-014 to approve the Report of the Due Diligence Review of the Non-Housing Funds and assets of the Successor Agency to the Redevelopment Agency for the County of Riverside; and
2. Authorize submittal of the Due Diligence Review of these funds to the Oversight Board.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: ANITA C. WILLIS
 DATE: 11-20-12
 Environmental Concurrence

Dep't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: All

Agenda Number: **4.3**

BACKGROUND:

Pursuant to Assembly Bill x1 26, the redevelopment dissolution bill, the Riverside County Board of Supervisors adopted Resolution No. 2012-034 on January 10, 2012, which accepted the designation as the Successor Agency for the Redevelopment Agency and further designated such actions and functions to be performed as Successor Agency to the Economic Development Agency (EDA). Additionally, on January 10, 2012, the Riverside County Board of Supervisors also adopted Resolution No. 2012-035, which elected to transfer the responsibility for performing all the housing functions previously performed by the Redevelopment Agency for the County of Riverside to the Housing Authority of the County of Riverside. On February 1, 2012, all California redevelopment agencies were dissolved by this legislation.

On June 27, 2012, the governor signed AB 1484 legislation further amending provisions of the CA Health and Safety Code as it relates to the dissolution of redevelopment agencies. Health & Safety Code(HSC) Section 34179.5 requires each Successor Agency to employ a licensed accountant, approved by the County Auditor-Controller(CAC) and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated and unencumbered cash and cash equivalent balances available for transfer to taxing entities. Due Diligence Procedures, for use by Licensed Accountants who will conduct the Due Diligence Reviews, were developed by the California CPA society with input from the State Controller's Office and the Department of Finance (DOF) and were approved on August 31, 2012. The Successor Agency has selected the CPA firm of Teaman, Ramirez, & Smith, Inc., which has performed previous audits of the County Redevelopment Agency and is an approved CPA firm on the list from the CAC.

The first Due Diligence Review (DDR) conducted was the review of the unobligated (LMIHF) Housing fund and assets, with the final report submitted to the DOF by October 15, 2012. The second DDR of all other funds and accounts of the former Redevelopment Agency was conducted by the CPA firm the week of November 5th. The deadline for the final report approval and submission to the DOF is January 15, 2013.

Due Diligence Review results of the Non-Housing Funds must be submitted to the Oversight Board (OB), the County Auditor-Controller (CAC), the Department of Finance (DOF) and the State Controller's Office (SCO) by December 15, 2012. Prior to final review and approval of the report by the Oversight Board on or before January 15, 2013, a Public Comment session must be held at least five days prior to its approval action. Transmission of the final approved report must be submitted by January 15, 2013, to the DOF and the County Auditor-Controller. The attached report of the Due Diligence Review results indicates if any Non-Housing funds are unencumbered and eligible for transfer to other taxing entities.

The DOF review of the report determinations provided will be completed no later than April 1, 2013, and will be conveyed via letter. Successor Agencies have five days from receipt of the decision to request a Meet and Confer to discuss any disputes with the DOF. The DOF must conduct the Meet and Confer, and confirm or modify findings within 30 days. Then, the Successor Agency must transfer amounts deemed to be unencumbered by the DOF within 5 days.

(Continued)

BACKGROUND: (Continued)

County Counsel has reviewed and approved Successor Agency Resolution No. 2012-014 as to form. Staff recommends that the Board of Supervisors approve the Report of the Due Diligence Review of the Non-Housing Funds and submit the report to the Oversight Board for final approval before submission to the State Department of Finance by December 15, 2012.

Attachments:

- Resolution Number 2012-014
- Report of Due Diligence Review

RESOLUTION NUMBER 2012-014

RESOLUTION TO APPROVE THE REPORT OF THE DUE DILIGENCE REVIEW OF THE UNOBLIGATED NON-HOUSING FUNDS AND OTHER ASSETS OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

WHEREAS, ABx1 26 is codified in the California Health and Safety Code;

WHEREAS, pursuant to ABx1 26, the Riverside County Board of Supervisors adopted Resolution No. 2012-034 on January 10, 2012, which accepted the designation as the Successor Agency for the Redevelopment Agency and further designating the actions and functions to be performed as said Agency to the Economic Development Agency(EDA) ;

WHEREAS, on February 1, 2012, all California redevelopment agencies were eliminated and the Successor Agency to the Redevelopment Agency for the County of Riverside assumed all the former redevelopment functions previously performed by the Redevelopment Agency;

WHEREAS, on June 27, 2012, the governor signed AB 1484, legislation amending provisions of the CA Health and Safety Code as it relates to the dissolution of redevelopment agencies;

WHEREAS, Health & Safety Code (HSC) section 34179.5 requires each Successor Agency to employ a licensed accountant, approved by the County Auditor-Controller (CAC) and with experience and expertise in local government accounting, to conduct a Due Diligence Review to determine the unobligated and unencumbered cash and cash equivalent balances available for transfer to taxing entities. Due Diligence Procedures were developed by the California CPA society with input from the State Controller's Office (SCO) and the Department of Finance(DOF) and were approved for use on August 31, 2012^t;

1 **WHEREAS**, the Successor Agency has selected the CPA firm of Teaman,
2 Ramirez, & Smith, Inc. who has performed previous audits of the Redevelopment
3 Agency and is an approved CPA firm on the list from the CAC to perform the Due
4 Diligence Review of the Successor Agency's unobligated non-housing funds and
5 other assets;

6 **WHEREAS**, the Successor Agency Board is required to review and approve
7 the Due Diligence Review and authorize submittal to the Oversight Board (OB) for the
8 conduct of a public hearing and final approval.

9 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
10 **ORDERED** by the Board of Supervisors of the County of Riverside in regular session
11 assembled on December 4, 2012, as follows:

12 1. That the Board of Supervisors hereby finds and declares that the above
13 recitals are true and correct.

14 2. That the Board of Supervisors approves the attached report of the Due
15 Diligence Review of the Successor Agency's unobligated non-housing funds and
16 other assets.

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FORM APPROVED COUNTY COUNSEL
BY:  11-20-12
ANITA C. WILLIS DATE