RESOLUTION NO. 1-2013
Adopted January 14, 2013

RESOLUTION APPROVING THE DUE DILIGENCE REVIEW OF NON-HOUSING FUNDS FOR UNOBLIGATED BALANCES AVAILABLE FOR TRANSFER TO THE TAXING ENTITIES AND FINDING THAT ALL FUNDS ARE OBLIGATED AND THEREFORE NO FUNDS ARE AVAILABLE FOR TRANSFER TO THE TAXING ENTITIES

WHEREAS, California Health & Safety Code ("H&SC") Section 34179.5 requires each successor agency to employ a licensed accountant, with experience and expertise in local governmental accounting and approved by the county-auditor controller to conduct a due diligence review of unobligated balances available for transfer to the taxing entities; and,

WHEREAS, With the City Controller’s approval, the Successor Agency retained Macias Gini & O’Connell LLP ("MGO") to perform the due diligence review; and,

WHEREAS, H&SC Section 34179.5 requires the review to be separated into an accounting for the balance of Low and Moderate Income Housing Fund (“LMIHF”) and an accounting for all other funds (“Non-Housing Funds”); and,

WHEREAS, The review of Low and Moderated Income Housing Funds was approved by the Oversight Board and submitted to the Department of Finance and the City Controller October 12, 2012; and,

WHEREAS, The Successor Agency is required by H&SC Section 34179.6 to provide the Oversight Board, the City Controller, and the Department of Finance the results of the Due Diligence review for Non-Housing unobligated balances (the “Non-Housing Review”) by December 17, 2012, and the Successor Agency has done so, and requires the Oversight Board to review and approve the Non-Housing Review, and transmit to the Department of Finance and the City Controller, by January 15, 2013, the amount of “cash” and “cash equivalents” available for disbursement to the taxing entities; and,

WHEREAS, For purposes of the due diligence review, H&SC Section 34179.5(b)(1) defines “cash” and “cash equivalents” as including, without limitation, “cash in hand, bank deposits, Local Agency Investment Fund deposits, deposits in the city and county treasury or any other pool, marketable securities, commercial paper, United States Treasury bills, banker’s acceptances, payables on demand and amounts due from other parties . . . and any other money owed by the successor agency;” and,

WHEREAS, The Oversight Board’s review and approval of the Non-Housing Review should be preceded by a public comment session at least 5 days in advance, which session was held by the Oversight Board during its review of the Non-Housing Review on January 7, 2013; and,

WHEREAS, A copy of MGO’s report on the Non-Housing Review is attached to this resolution as Exhibit A and incorporated herein, and located on the Oversight Board website at http://www.sfgsa.org/Modules/ShowDocument.aspx?documentID=9542. MGO performed the Non-Housing Review using the agreed upon procedures enumerated in Exhibit A, as set forth in H&SC Section 34179.5 and 34179.6 and in accordance
with the attestation standards established by the American Institute of Certified Public Accountants; and,

WHEREAS, In summary, MGO determined in its findings for the Non-Housing Review that no funds are available for disbursement to taxing entities and, now therefore, be it

RESOLVED, That this Oversight Board approves the Non-Housing Review and finds that no funds, including cash and cash equivalents, are available for transfer to the taxing entities; and, be it, further

RESOLVED, That the Executive Director is directed to transmit this resolution and the Non-Housing Review to the City Controller and the Department of Finance.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of January 14, 2013.

Exhibit A: Report on Applying Agreed-Upon Procedures on All Funds, Excluding Low and Moderate Income Housing Funds, of the Former Redevelopment Agency, of the City and County of San Francisco, CA (Diligence Review required under Sections 34179.5 and 34179.6 of the Health and Safety Code)

[Signature]
Board Secretary