RESOLUTION NO. 12-2012
Adopted October 12, 2012

RESOLUTION APPROVING THE DUE DILIGENCE REVIEW OF LOW AND MODERATE INCOME 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; 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 LMIHF unobligated balances (the “LMIHF Review”) by October 1, 2012, and the Successor Agency has done so, and requires the Oversight Board to review and approve the LMIHF Review, and transmit to the Department of Finance and the City Controller, by October 15, 2012, 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 LMIHF 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 LMIHF Review on October 2, 2012; and,

WHEREAS, The review of all other remaining funds (non-LMIHF funds) are not required to be submitted to the Oversight Board for approval before December 15, 2012; and,

WHEREAS, MGO performed the LMIHF 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. A copy of MGO’s report on the LMIHF Review is attached to this resolution as Exhibit A and incorporated herein; and,
WHEREAS, Upon the Agency’s dissolution, pursuant to the City’s Board of Supervisors Resolution No. 11-12, the City through its Mayor’s Office of Housing assumed the Agency’s affordable housing assets and its related housing obligations as of February 1, 2012; and,

WHEREAS, In summary, MGO determined in its findings for the LMIHF Review that no funds are available for disbursement to taxing entities as all affordable housing funds transferred to the City are obligated and, now therefore, be it

RESOLVED, That this Oversight Board approves the LMIHF 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 LMIHF 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 October 12, 2012.

Exhibit A: Report on Applying Agreed-Upon Procedures on the 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)

Natasha Jones
Board Secretary