

OVERSIGHT BOARD RESOLUTION NO. 12-10-17-01

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE INDEPENDENT ACCOUNTANT'S REPORT FOR THE LOW AND MODERATE INCOME HOUSING FUND DUE DILIGENCE REVIEW CONDUCTED PURSUANT TO HEALTH & SAFETY CODE SECTION 34179.5 FOR THE LOW AND MODERATE INCOME HOUSING FUND AND AUTHORIZING STAFF TO TRANSFER MONEYS TO THE SAN JUAN CAPISTRANO HOUSING AUTHORITY AS PROVIDED IN THE REPORT, SUBJECT TO APPROVAL BY THE DEPARTMENT OF FINANCE

WHEREAS, the former San Juan Capistrano Community Redevelopment Agency ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of San Juan Capistrano ("City"); and,

WHEREAS, Assembly Bill 1x 26, chaptered and effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and,

WHEREAS, as of February 1, 2012, the Agency was dissolved pursuant to the Dissolution Act and the City serves as the Successor Agency to the San Juan Capistrano Community Redevelopment Agency ("Successor Agency"); and,

WHEREAS, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and,

WHEREAS, Section 34179 of the Dissolution Act provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and,

WHEREAS, in accordance with the Dissolution Act, the Oversight Board approved Recognized Obligation Payment Schedule for the period of January 1, 2013, to June 30, 2013 ("ROPS III") in the form attached hereto as Exhibit B; and,

WHEREAS, Section 34179.5 of the Dissolution Act requires the Successor Agency to employ a licensed accountant approved by the Orange County Auditor-Controller to perform a due diligence review and report on the amount of funds transferred from the former Agency; and,

WHEREAS, the Orange County Auditor-Controller provided written approval to Successor Agency staff of their selection of Macias, Gini & O'Connell, LLP as the licensed accountant to perform the due diligence review for the Successor Agency; and,

WHEREAS, on August 27, 2012, the Department of Finance posted on its official website the agreed-upon procedures to conduct the due diligence reviews; and,

WHEREAS, in accordance with the provisions of the agreed-upon procedures and provisions of Section 34179.5 of the Dissolution Act, Macias, Gini & O'Connell, LLP has completed the due diligence review with respect to the former Agency's Low and Moderate Income Housing Fund and other housing assets ("Housing Due Diligence Review Report"), a copy of which is attached hereto and incorporated herein; and,

WHEREAS, the Successor Agency submitted the Housing Due Diligence Review Report to the Oversight Board and simultaneously to the County Auditor-Controller, State Controller's Office and Department of Finance on October 8, 2012, as required by Section 34179.6 of the Dissolution Act; and,

WHEREAS, in accordance with Section 34179.6 of the Dissolution Act, the Oversight Board held a public comment session on October 10, 2012, with respect to the Housing Due Diligence Review Report not fewer than five (5) business days prior to the date this Resolution was considered and approved by the Oversight Board; and,

WHEREAS, the Oversight Board has duly considered all comments and testimony received during the public comment session and otherwise from the public and the County Auditor-Controller regarding the Housing Due Diligence Review Report.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY:

- Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.
- Section 2. Pursuant to the Dissolution Act, the Oversight Board approves the Housing Due Diligence Review Report submitted herewith as Exhibit A.
- Section 3. Pursuant to Section 34179.6(c) of the Dissolution Act, the Oversight Board hereby approves the determination of \$4,322,067 of cash and cash equivalents that are available for disbursement to taxing entities, as shown in Exhibit F to the Housing Due Diligence Review Report, and directs Successor Agency staff to transmit the Housing Due Diligence Review Report, including the determination of the amount of cash and cash equivalents available for disbursement to taxing entities, to the County Auditor-Controller and the Department of Finance.

Section 4. Pursuant to Section 34179.6(c) of the Dissolution Act, the Oversight Board hereby authorizes the Successor Agency to retain \$8,403,942 of cash and cash equivalents for the purposes described below. These items are further detailed in Exhibits C, D, E.1, E.2 and F to the Housing Due Diligence Review Report (Exhibit A to this Resolution), subject to approval by the Department of Finance, as required by Section 34179.6 of the Dissolution Act.

Source of Funds	Purpose for which funds are being retained	Amount
Bond Proceeds	Pursuant to Section 34179.5(c)(5)(B) of the Dissolution Act and as specified in 2008 Tax Allocation Bonds, Series B, Indenture of Trust, "to increase or improve the supply of low and moderate income housing with, or of benefit to, the Project Area."	\$6,633,003
Low-and-Moderate Income Housing Fund Reserves	Pursuant to Section 34179.5(c)(5)(D) of the Dissolution Act for the funding of approved housing-related enforceable obligations, net of projected annual revenues available to fund those obligations.	342,129
Low-and-Moderate Income Housing Fund Reserves	Pursuant to Section 34179.5(c)(5)(E) of the Dissolution Act for the funding of amounts needed to satisfy the Recognized Obligations Payment Schedule for the 2012-2013 fiscal year.	1,428,810
Total Amount to be retained		<u>\$8,403,942</u>

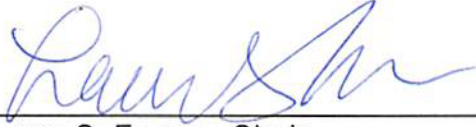
Section 5. The Executive Director or her authorized designees on behalf of the Successor Agency are directed to transmit the approved Recognized Obligation Payment Schedule III (ROPS III) to the State Department of Finance and other entities pursuant to Health and Safety Code Section 34179.6.

Section 6. Pursuant to Section 34179.6(c) of the Dissolution Act, the Oversight Board hereby authorizes the Successor Agency to transfer \$417,422 to the San Juan Capistrano Housing Authority as provided in Exhibit C to the Housing Due Diligence Review Report (Exhibit A to this Resolution), subject to approval by the Department of Finance, as required by Section 34179.6 of the Dissolution Act.

Section 7. The Chief Financial Officer/Treasurer of the Successor Agency or her authorized designee is directed to post this Resolution on the Successor Agency website and transmit this Resolution to the Department of Finance in accordance with the Dissolution Act.

Section 8. The Oversight Board Secretary shall certify to the adoption of this Resolution.

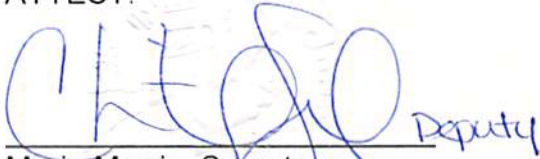
APPROVED AND ADOPTED this 17th day of October, 2012.



Laura S. Freese, Chair
Oversight Board to the Successor Agency to
the San Juan Capistrano Community
Redevelopment Agency

(SEAL)

ATTEST:



Maria Morris, Secretary
Oversight Board to the Successor Agency to the
San Juan Capistrano Community Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF SAN JUAN CAPISTRANO)

I, MARIA MORRIS, appointed Oversight Board Secretary of the Oversight Board to the Successor Agency of the San Juan Capistrano Community Redevelopment Agency, do hereby certify that the foregoing **Oversight Resolution 12-10-17-01** was duly adopted by the Board Members of the Oversight Board to the Successor Agency of the San Juan Capistrano Community Redevelopment Agency at a special meeting thereof, held the 17th day of October, 2012, by the following vote:

AYES: BOARD MEMBERS: Doll, Hampton, Tatarian, Thomas, and Chair Freese
NOES BOARD MEMBERS: None
ABSENT: BOARD MEMBERS: McCord and Vice-Chair Kerr



MARIA MORRIS, OVERSIGHT BOARD SECRETARY