

OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY

AGENDA

City Council Chambers
Montclair Civic Center
5111 Benito Street
Montclair, CA

Regular Meeting
Wednesday, January 9, 2013
6:00 p.m.

As a courtesy, please silence your cell phones, pagers, and other electronic devices while the meeting is in session. Thank you.

William Ruh - Chairman, Montclair Mayor Paul Eaton Appointee
Tenice Johnson - Vice Chairperson, County of San Bernardino Citizen Appointee
Terry Catlin - Inland Empire Utilities Agency Appointee
Kim Erickson - Chaffey Community College District Appointee
Janet Kulbeck - City of Montclair Employee Organization Appointee
John Richardson - County of San Bernardino Appointee
Kim Stallings - Ontario-Montclair School District Appointee

Page No.

I. PRELIMINARY MATTERS

- A. Call to Order
- B. Roll Call

II. PUBLIC COMMENT

Any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda, is requested to complete a "Speaker Request" form, available at the door. The form should be completed and submitted to the Secretary prior to the beginning of this meeting or prior to an individual agenda item being heard by the Oversight Board. Each speaker will be afforded five minutes to address the Oversight Board. No action will be taken on any item not listed on the agenda pursuant to the Ralph M. Brown Act.

III. APPROVAL OF MINUTES - None

IV. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 13-01, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving the Due Diligence Review Completed by Teaman, Ramirez and Smith, Inc., Pursuant to Sections 34179.5 and 34179.6 of the Health and Safety Code

- B. Consider Authorizing Staff to Solicit Proposals for Legal Counsel to the Oversight Board for the Former City of Montclair Redevelopment Agency 9
 - C. Consider Receipt of Correspondence Dated December 21, 2012, From the State Department of Finance Regarding Housing Asset Transfers 13
- V. COMMUNICATIONS
- A. Staff
 - B. Chairman and Members
- VI. ADJOURNMENT

The above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have ten days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration; and the action, if subject to review by DOF, will not be effective until approved by DOF.

The next regularly scheduled Oversight Board meeting will be held on February 13, 2013, at 6:00 p.m. in the City Council Chambers.

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the Successor Agency Board after distribution of the Agenda packet are available for public inspection in the Office of the Secretary located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary at (909) 625-9416. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Yvonne L. Smith, Secretary, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the bulletin board adjacent to the north door of Montclair City Hall on January 3, 2013.

AGENDA REPORT

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO.13-01, A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE DUE DILIGENCE REVIEW COMPLETED BY TEAMAN, RAMIREZ AND SMITH, INC., PURSUANT TO SECTIONS 34179.5 AND 34179.6 OF THE HEALTH AND SAFETY CODE	DATE: January 9, 2013 SECTION: BUSINESS ITEMS ITEM NO.: A FILE I.D.: OBO050 DEPT.: OVERSIGHT BOARD
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REASON FOR CONSIDERATION: Pursuant to Health and Safety Code Section 34179.5(a), as amended by AB 1284, the Successor Agency was required to employ a licensed accountant, approved by the County Auditor–Controller, to conduct a due diligence audit review of all funds and accounts, with the exception of the Low- and Moderate-Income Housing Fund, to determine the unobligated balances in all other funds available for transfer to the affected taxing agencies.

BACKGROUND: The Dissolution Act, Parts 1.8 and 1.85 of the California Health and Safety Code, as modified by the Supreme Court's opinion in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 and as amended by Assembly Bill 1484 and effective June 27, 2012, in particular Section 34719.5, require each successor agency to retain a licensed accountant for the purposes of determining the unobligated fund balances available for transfer to the taxing agencies. Two due diligence reviews are required, one relates to housing assets and obligations and the other related to nonhousing assets and obligations. As the Oversight Board is aware, the Due Diligence Report related to the Low-and Moderate-Income Housing Fund was approved by the Board on October 10, 2012. The accountant's report, included in the agenda packet, pertains to all other funds and accounts held by the former City of Montclair Redevelopment Agency.

The Due Diligence Review had to be submitted to the Oversight Board, the County Auditor–Controller (CAC), the State Controller's Office (SCO), and State Department of Finance (DOF) by December 15, 2012. Successor Agency staff in Montclair submitted the document by email to the Oversight Board and county and state agencies on December 13, 2012. The Oversight Board has until January 15, 2013, to complete a public comment session; review public comments and consider the results/opinions offered, if any, by the CAC; and then review, approve, and transmit the report again to the CAC, SCO, and DOF.

The Successor Agency selected and the County Auditor–Controller ("CAC") approved Teaman, Ramirez and Smith, Inc., an accounting firm with experience and expertise in local government accounting, to conduct the due diligence reviews to determine the unobligated balances available for transfer to taxing entities related to housing and nonhousing assets and obligations in order to ascertain unobligated cash or cash equivalent balances that would be available for transfer to local taxing entities.

Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>Gonnie L Smith</u>	Presented by: <u>M. STAATS</u>

Pursuant to Section 34179.5 of the Health and Safety Code, the due diligence review requires the independent accountant to reconcile assets, balances, and liabilities with previous reports made to the state. Further, this review includes valuation of cash and cash equivalents (such as Local Agency Investment Fund deposits) and obligations. "At a minimum, the [due diligence] review required by this section shall include the following: ... '[a]n itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment.' ..."

The review and report occurs as to nonhousing assets between November 2012 and April 2013. The review process entails several steps in order to be completed as required, and the penalty for failure to pay or transfer will result in the DOF causing the equivalent amount(s) to be deducted from sales and use taxes and/or property taxes due to the City as the sponsoring community.

Key dates for the Due Diligence Review include the following:

	<i>Nonhousing Review</i>
Due diligence review due from Successor Agency to Oversight Board, CAC, OSC, and DOF	December 15, 2012
Oversight Board deadline to conduct hearing and review, approve, and submit due diligence review	January 15, 2013
DOF deadline to issue a "Finding of Completion"	April 1, 2013
Successor Agency deadline to request a Meet and Confer with DOF about reviews	Five days of DOF action (no later than April 6, 2013)
Successor Agency deadline to make transfers to County Auditor-Controller based on DOF findings	April 10, 2013

The Due Diligence Review is included in the agenda packets and made a part of Resolution No. 13-01. Teaman, Ramirez and Smith, Inc., reviewed cash and noncash balances, expenditures, revenues, and transfers prior to and following dissolution on February 1, 2012. In general, the activities noted in the report reflect transactions associated with the former Agency in the course of implementation of its affordable housing responsibilities.

The Oversight Board conducted the mandatory meeting to receive public comment on the Housing Due Diligence Audit Review on December 19, 2012. Pursuant to Section 34179(b) of the Health and Safety Code, a meeting to receive public comment had to be conducted at least five business days prior to Oversight Board consideration of the Housing Due Diligence Audit Review. No public comment was received at the December 19, 2012 meeting.

FISCAL IMPACT: The primary findings of the Due Diligence Audit Review include the following:

Total amount of assets held by the Successor Agency on June 30, 2012:		\$15,882,611
Less assets restricted by debt covenants or other restrictions:		
Unexpended pre-January 1, 2011 bond proceeds:	\$(14,160,644)	
Trustee balances present but committed to debt service:	<u>+ (3,963,812)</u>	(18,124,456)
Less balances needed to satisfy ROPS and other enforceable obligation:		(5,595,237)
Add the amount of assets transferred to the City for which an enforceable obligation with a third party requiring transfer and obligating the use of transferred assets did not exist:		14,160,644
Amount available to be remitted to the County for disbursement to taxing agencies:		<u>\$ 6,323,562</u>

As the Oversight Board is aware, this is the second of two meetings conducted on the Due Diligence Review. The first meeting was conducted on December 19, 2012, to receive any public comments on the audit review. The Oversight Board may review the public comments and the opinions offered, if any, from the public and the CAC. During its review, the Oversight Board may adjust the amounts and request supporting materials to facilitate its determinations. Following Oversight Board consideration of the Due Diligence Review, but no later than January 15, 2013, the Due Diligence Audit is to be resubmitted to the CAC and the DOF for review and final determination.

RECOMMENDATION: Staff recommends the Oversight Board adopt Resolution No. 13-01 approving the Housing Due Diligence Audit Review completed by Teaman, Ramirez and Smith, Inc., pursuant to Sections 34179.5 and 34179.6 of the Health and Safety Code.

RESOLUTION NO. 13-01

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE DUE DILIGENCE REVIEW COMPLETED BY TEAMAN, RAMIREZ AND SMITH, INC., PURSUANT TO SECTIONS 34179.5 AND 34179.6 OF THE HEALTH AND SAFETY CODE

WHEREAS, Assembly Bill 1X 26 (AB 26) was signed by the Governor on June 28, 2011 and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 (AB 1484). AB 26 and AB 1484 (together called the Dissolution Bills) eliminated California Redevelopment agencies statewide and established successor agencies to pay, perform, and effectuate the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies, and

WHEREAS, Health and Safety Code Section 34179.5 (a) as amended by AB 1484 and in furtherance of subdivision (d) of Section 34177 requires the Successor Agency 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 for all fund balances and accounts, with the exception of the Low- and Moderate–Income Housing Fund, to determine the unobligated balances available for transfer to the affected taxing agencies, and

WHEREAS, the Successor Agency, with the approval of the County of San Bernardino Auditor–Controller, contracted with Teaman, Ramirez and Smith, Inc., to perform the Due Diligence Audit Review for the other funds and has completed and issued the review that is attached; and

WHEREAS, Section 34179.5 (a), as amended by AB 1484, also provides the Due Diligence Audit Review for the other funds shall be submitted by January 15, 2013, to the County of San Bernardino Auditor–Controller's Office, the State Controller's Office, and the State Department of Finance at the same time that it submits the Due Diligence Review to the Oversight Board. The Successor Agency for the City of Montclair Redevelopment Agency submitted the completed Review to the Oversight Board, county, and state by email on December 13, 2012; and

WHEREAS, the Oversight Board has convened a public comment session on December 19, 2012, which was at least five business days before the Oversight Board holds the approval vote specified in Section 34179.6(c); and

WHEREAS, Section 34179.6 (c), as amended by AB 1484, requires by January 15, 2013, that the Oversight Board shall review, approve, and transmit to the County of San Bernardino Auditor–Controller, the State Controller, and the State Department of Finance the determination of the amount of cash and cash equivalents that are available for disbursement to the taxing agencies as determined by the Due Diligence Review and according to the method provided in Section 34179.5; and

WHEREAS, the Oversight Board now desires to approve the Due Diligence Review; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the City of Montclair Redevelopment Agency does hereby find and determine as follows:

Section 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Oversight Board hereby accepts the Due Diligence Review and has received the results of the review conducted pursuant to Section 34179.5 for all other accounts and fund balances to comply with AB 1484 and the Health and Safety Code Section 34179.6 (a).

Section 3. Adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of the Dissolution Bills through administrative or legal proceedings.

Section 4. The Chair, or designee, is hereby authorized and directed to make any and all changes to the determination of the amount of cash and cash equivalents that are available for disbursement to the taxing agencies as determined by the review to reflect information and analysis of the Oversight Board.

Section 5. The Oversight Board hereby approves the Due Diligence Review prepared by Teaman, Ramirez and Smith, Inc., with changes approved by the Oversight Board, if any.

Section 6. This Resolution shall take effect immediately upon its adoption.

Section 7. The Secretary of the Oversight Board shall certify as to the adoption of this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2013.

Chairman

ATTEST:

Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 13-01 was duly adopted by the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency and was approved by the Chairman of said Oversight Board at a regular meeting thereof held on the XX day of XX, 2013, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Yvonne L. Smith
Secretary

AGENDA REPORT

SUBJECT: CONSIDER AUTHORIZING STAFF TO SOLICIT PROPOSALS FOR LEGAL COUNSEL TO THE OVERSIGHT BOARD FOR THE FORMER CITY OF MONTCLAIR REDEVELOPMENT AGENCY	DATE: January 9, 2013
	SECTION: BUSINESS ITEMS
	ITEM NO.: B
	FILE I.D.: OBO050
	DEPT.: OVERSIGHT BOARD

REASON FOR CONSIDERATION: The Oversight Board requested the Successor Agency supply the Board with legal representation. A Request for Proposals/Request for Qualifications (RFP/RFQ) has been prepared for consideration by the Oversight Board. The RFP/RFQ is attached for the Oversight Board's review and consideration.

BACKGROUND: The Oversight Board took action to request that the Board be supplied with legal counsel on December 12, 2012. A RFP/RFQ has been developed for consideration by the Oversight Board.

If the Oversight Board is satisfied with the RFP/RFQ, the Oversight Board is requested to provide direction to staff on the following matters:

- How would the Board like staff to obtain a list of legal firms for submittal of the RFP/RFQ?
- How does the Board want to review the list of firms submitting proposals to determine those candidates to be interviewed?
- What is the process and date the Board wishes to select for interview of potential candidates for the position of Oversight Board Legal Counsel?

FISCAL IMPACT: There are no fiscal impacts associated with the solicitation of proposals for Oversight Board Legal Counsel.

RECOMMENDATION: Staff recommends the Oversight Board authorize staff to solicit proposals for legal counsel to the Oversight Board for the former City of Montclair Redevelopment Agency.

Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>Gyome L. Smith</u>	Presented by: <u>M. STAATS</u>

**REQUEST FOR PROPOSAL (RFP)/REQUEST FOR QUALIFICATIONS (RFQ)
FOR
LEGAL SERVICES
FOR THE
OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
CITY OF MONTCLAIR REDEVELOPMENT AGENCY**

January 9, 2013

Under AB 1X 26 (Chapter 5, Statutes of 2011) and, an Oversight Board was established to oversee the action of the Successor Agency to the dissolved City of Montclair Redevelopment Agency. The Oversight Board is seeking the services of an attorney with a professional law firm or an experienced sole practitioner to service as Legal Counsel to the Oversight Board to provide counsel with respect to Oversight Board operations, lending practices for development projects and other activities or permitted actions to be taken by the Oversight Board pursuant to AB 1X 26.

The term of the engagement would be for the remainder of the 2012-2013 Fiscal Year, and the contract would be subject to annual extensions until the Oversight Board completes its work and is dissolved or is merged with the other oversight board in the County of San Bernardino in 2016 as required under AB 1X 26. Either party will have the right to terminate the engagement with 90 days prior written notice.

The selected Legal Counsel would advise the Oversight Board and be supported by City of Montclair Successor Agency staff and would be expected to work closely with legal counsel for the various taxing entities represented on the Oversight Board or who receive property tax revenues within the Redevelopment Project Areas. The current Oversight Board members are listed as follows:

William Ruh (Chair)

City of Montclair Mayor Pro Tem

Tenice Johnson (Vice Chair)

County of San Bernardino - Public Member

Terry Catlin

Inland Empire Utilities Agency

Kim Erickson

Chaffey Community College District

Janet Kulbeck

City of Montclair - Employee

John Richardson
County of San Bernardino

Kim Stallings
Ontario-Montclair School District

To prevent conflicts of interest, the selected Oversight Board Legal Counsel and its firm may not engage in any representations adverse to the Oversight Board or any agency making an appointment to the Oversight Board, nor could it represent private developers that are parties to existing contracts with the dissolved City of Montclair Agency for redevelopment projects which have not been completed. Law firms and sole practitioners currently under contract with one or more agencies that make appointments to the Oversight Board and the other tax entities may apply, but it is preferable that Oversight Board Legal Counsel be independent from all such agencies. For firms that represent agencies in litigation matters only, conflict waivers must be obtained to enable the Oversight Board to select such firm or practitioner.

Pursuant to AB 1X 26, the City of Montclair Successor Agency is responsible for the cost of any legal services to be provided to the Oversight Board. For this reason, the selected Legal Counsel will be required to enter into a Professional Services Agreement. The form of such agreement should be supplied by selected Legal Counsel.

The scope of services the selected Legal Counsel will be required to provide is likely to include, but is not necessarily limited to, the following:

- Advise the Oversight Board on actions necessary to protect the Oversight Board members from personal liability and to protect the assets of the dissolved redevelopment agency from liability and attachment.
- Advise the Oversight Board regarding legal authority and potential liability for actions taken by the Oversight Board pursuant to AB 1X 26 and subsequent legislation.
- Review and advise the Oversight Board on recommendations received from City of Montclair Successor Agency staff including respective enforceable obligations, property disposition, refinancing matters, and completion of development projects.
- Provide information and advice regarding legislative matters that may affect the Oversight Board.
- Represent the Oversight Board in connection with any inquiry, investigation, audit, or other proceedings of state regulatory agencies that may impact the Oversight Board.

- Represent the Oversight Board in any litigation brought by or against or otherwise involving the Oversight Board or assist the Oversight Board in contracting for specialized litigation counsel and overseeing outside counsel's work.
- Engage in any other legal matter reasonably requested by the Oversight Board.

Experience/Qualifications:

The selected Legal Counsel must have experience advising public entities with respect to the Ralph M. Brown Act and the Public Records Act. Additionally, experience with public contracting, public finance (bonds), real property disposition and development, redevelopment law, and lending is strongly desired.

Submittal Content:

- A brief cover letter with the name and contact information for the proposed lead attorney.
- Description of the qualifications and experience of the proposed lead attorney and any other attorneys to be assigned to work for the Oversight Board in the areas of law listed above.
- Three client references for each attorney listed in the proposal.
- List of current hourly rates for each attorney and support staff proposed to be assigned to work for the Oversight Board as well as the basis for other fees and costs to be charged in connection with the representation.

Submittal Procedures:

Please submit eight (8) copies of your proposal by 4:00 p.m. Thursday, January 31, 2013, to the City of Montclair, 5111 Benito Street, Montclair, California 91763, Attention: Marilyn J. Staats

All inquiries should be directed to Marilyn Staats, in writing, at mstaats@cityofmontclair.org.

City of Montclair Successor Agency staff, along with members of the Oversight Board, will conduct an initial interview and evaluation of all proposals to select interview candidates. Interviews are tentatively scheduled for _____.

The Oversight Board reserves the right to reject any and all submittals, and to waive minor inconsistencies. The cost of preparing responses to this Request for Proposals shall be borne by the respondents and will not be reimbursed by the Oversight Board of the City of Montclair Successor Agency.

AGENDA REPORT

SUBJECT: CONSIDER RECEIPT OF CORRESPONDENCE DATED DECEMBER 21, 2012, FROM THE STATE DEPARTMENT OF FINANCE REGARD- ING HOUSING ASSET TRANSFERS	DATE: January 9, 2013
	SECTION: BUSINESS ITEMS
	ITEM NO.: C
	FILE I.D.: 0B0050
	DEPT.: OVERSIGHT BOARD

REASON FOR CONSIDERATION: The Oversight Board is provided with a copy of the correspondence dated December 21, 2012 from the State Department of Finance (DOF).

BACKGROUND: In its December 21, 2012 letter, DOF indicates that it no longer objects to the transfer of the property located at 4113 Kingsley Street to the Montclair Housing Authority. This means that the Kingsley Street property may be transferred for the proposed Special Needs Project to be developed by National Community Renaissance. The Oversight Board took action on July 25, 2012, to approve the transfer of this site to the Montclair Housing Authority. On December 12, 2012, the Oversight Board adopted Resolution No. 12-15 again directing the transfer of this asset to the Montclair Housing Authority.

The letter from DOF renews its objection to the encumbrance of \$1 million for the Promis-ory Note to the Montclair Housing Corporation. DOF has again indicated that this Note was signed on July 1, 2011, after the adoption of AB 26. The Successor Agency is consider- ing the pursuit of legal action regarding this matter.

FISCAL IMPACT: There is no fiscal impact related to the Oversight Board's receipt of DOF's correspondence.

RECOMMENDATION: Staff recommends the Oversight Board receive the correspondence dated December 21, 2012, from the State Department of Finance regarding housing asset transfers.

Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>[Signature]</u>	Presented by: <u>M. STAATS</u>



December 21, 2012

Ms. Marilyn J. Staats, Redevelopment Director
City of Montclair
5111 Benito Street
Montclair, CA 91763

Dear Ms. Staats:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 25, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Montclair (City) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 26, 2012 for the period February 1, 2012 through July 26, 2012. Finance issued its determination related to those transferred assets on August 25, 2012. Subsequently, the Agency requested a Meet and Confer session for one or more of the items denied by Finance.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed as follows:

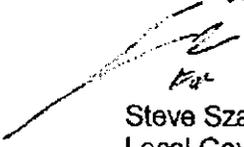
- Exhibit A, Item 1 – Real Property with a carrying value of \$336,636. The City provided documentation to establish that the item was acquired for low-and-moderate-income housing purposes pursuant to HSC 34176 (e). Therefore, Finance no longer objects to the transfer of this item.
- Exhibit C, Item 1, Low-Mod Encumbrances in the amount of \$1 million. Finance continues to object to the transfer of this asset. HSC section 34176 (a) defines assets eligible for transfer to the housing successor; however, the item is not eligible for transfer because it is not an enforceable obligation as per HSC section 34176 (e) (2). Per Finance's Recognized Obligation Payment Schedule letter dated December 18, 2012, the loan agreement related to this item was entered into July 1, 2011. HSC section 34163 (b) prohibits redevelopment agencies from entering into new contracts after June 27, 2011. Therefore, this item is not eligible for transfer to the housing successor.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Marilyn J. Staats, Redevelopment Director
December 21, 2012
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Please direct inquiries to Evelyn Sues, Dispute Resolution Supervisor or Danielle Brandon, Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', is written over a horizontal line.

Steve Szalay
Local Government Consultant

cc: Mr. Larry Walker, San Bernardino County Auditor-Controller
California State Controller's Office