

**NOTICE/CALL AND AGENDA FOR A SPECIAL MEETING OF THE
SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD
SANTEE, CALIFORNIA**

DECEMBER 17, 2012

A SPECIAL MEETING of the Santee CDC Successor Agency Oversight Board is hereby called for **Monday, December 17, 2012 at 3:30 PM** at the Santee City Hall Council Chambers, 10601 Magnolia Avenue, Santee, California, for the following purposes:

1. Welcome and Introductions
2. Approval of Minutes for the November 14, 2012 Oversight Board Meeting
3. Due Diligence Review Report for All Other Funds of the Successor Agency
 - 3A *Staff Presentation on the Due Diligence Review Report*
 - 3B *Review and Discussion by Oversight Board Members*
 - 3C *Receipt of Public Comments on the Due Diligence Review Report*
 - *Each speaker will have up to 3 minutes to address the Oversight Board.*
 - *Action to be taken by the Oversight Board on January 8, 2013*
4. Resolution Ratifying the Transfer of Housing Assets and Functions of the Former Santee Community Development Commission to the San Diego County Housing Authority as Designated Successor Agency
5. Status Update on the Recognized Obligation Payment Schedule (ROPS) for the Period of January to June 2013
 - *State Department of Finance Review*
6. Comments from Oversight Board Members
7. Communication from the Public
8. Adjournment

*The City of Santee complies with the Americans With Disabilities Act.
If you require reasonable accommodations for this meeting contact the City Manager's Office
at (619) 258-4100 ext. 223 at least twelve (12) hours prior to the meeting.*

State of California }
County of San Diego } ss.
City of Santee }

AFFIDAVIT OF POSTING AGENDA

I, Pamela White, Senior Management Analyst of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Special Meeting Agenda was posted in accordance with Resolution 61-2003 on December 13, 2012 at 3:30 p.m.



Signature

12/13/12
Date

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD

WARREN H. SAVAGE JR. [CHAIR]

*SANTEE RESIDENT
COUNTY OF SAN DIEGO APPOINTEE*

ARNOLD WINSTON [VICE CHAIR]

*SANTEE RESIDENT
SANTEE MAYORAL APPOINTEE*

SAHAR ABUSHABAN

*ASSOCIATE VICE CHANCELLOR - BUSINESS SERVICES
GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT*

KARL CHRISTENSEN

*ASSISTANT SUPERINTENDENT - BUSINESS SERVICES
SANTEE SCHOOL DISTRICT*

WILLIAM POMMERING

*PRESIDENT – BOARD OF DIRECTORS
PADRE DAM MUNICIPAL WATER DISTRICT*

TOM ROMSTAD

*SENIOR MANAGEMENT ANALYST
[FORMER EMPLOYEE OF THE REDEVELOPMENT AGENCY]
SANTEE MAYORAL APPOINTEE*

RUSTY WILLIAMS

*SANTEE RESIDENT
COUNTY OF SAN DIEGO APPOINTEE*

SANTEE CDC SUCCESSOR AGENCY

KEITH TILL - CITY MANAGER

TIM McDERMOTT - FINANCE DIRECTOR

PAMELA WHITE - SENIOR MANAGEMENT ANALYST

**FOR MORE INFORMATION - CONTACT THE
CITY MANAGER'S OFFICE AT (619) 258-4100, EXT. 223**

MINUTES

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD SPECIAL MEETING NOVEMBER 14, 2012

SANTEE CITY COUNCIL CHAMBERS, 10601 MAGNOLIA AVENUE

The November 14, 2012 special meeting of the Santee CDC Successor Agency Oversight Board was called to order at 3:33 p.m. by Chairman Warren Savage. Present were Board Members Sahar Abushaban, Karl Christensen, William Pommering, Tom Romstad, Warren Savage Jr. (Chair), Rusty Williams, and Arnold Winston (Vice Chair). Successor Agency staff present were City Manager Keith Till, Finance Director Tim McDermott, and Senior Management Analyst Pamela White.

AGENDA ITEM #1: WELCOME AND INTRODUCTIONS

Following some brief introductory remarks, Oversight Board Members and the Santee CDC Successor Agency staff introduced themselves. All seven members of the Oversight Board were present.

AGENDA ITEM #2: APPROVAL OF MINUTES FOR THE NOVEMBER 6, 2012 OVERSIGHT BOARD MEETING

Senior Management Analyst White advised the Board Members that the two typographical errors noted in the November 6, 2012 Minutes had been corrected.

ACTION: On a motion by Vice Chair Winston, seconded by Board Member Williams, the Minutes for the November 6, 2012 Oversight Board Meeting were approved, with all Board Members voting aye.

AGENDA ITEM #3: RESOLUTION OF THE SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE DUE DILIGENCE REVIEW REPORT FOR THE LOW AND MODERATE INCOME HOUSING FUND

Finance Director McDermott provided a brief overview of the Due Diligence Review Report for the Low and Moderate Income Housing Fund, which had been reviewed at the previous Oversight Board Meeting on November 6, 2012. The public outreach steps taken to publicize the public comments session were also outlined, and Chairman Savage noted for the record that no public comments had been received at the November 6, 2012 Meeting.

Vice Chair Winston referred to the "Rehabilitation Loans Receivable" noted in the Due Diligence Review Report, and asked Successor Agency Staff if there had been procedures in place for awarding these loans, for evaluating loan to value ratios (particularly for mobilehomes), and ongoing monitoring and auditing. Senior Management Analyst White responded to these concerns, noting that there were formal policies in place for loan criteria, site inspections, work write-ups, and hearings by a loan committee, as well as ongoing monitoring and periodic audits of the loans. In the

instance of older mobilehomes, which might not meet a loan to value test, loans were restricted to addressing health and safety corrections, and some grants were authorized for economic hardship cases to ensure safety conditions were met— all under established loan procedures.

ACTION: There being no further questions, on a motion by Board Member Pommering, seconded by Board Member Romstad, the Resolution of the Oversight Board Approving the Due Diligence Review Report for the Low and Moderate Income Housing Fund was approved, with all Board Members voting aye.

AGENDA ITEM #4: DISCUSSION OF SUCCESSOR AGENCY DEADLINES AND FUTURE MEETING SCHEDULE

Finance Director McDermott explained that the Board would need to schedule another set of meetings between December 17th and January 15th for the Due Diligence Review (DDR) of the non-housing assets of the former redevelopment agency. There would be the same requirement to first hold a meeting to receive public comments, and then another meeting to approve the DDR no sooner than five business days later. Staff would comply with the same steps to publicize the DDR Report and the public comments session.

Senior Management Analyst White thanked the Oversight Board Members for their assistance in providing her with available dates for the next set of meetings, and distributed the survey results noting multiple dates in mid-December and early January that all seven Board members could attend. It was decided by consensus to designate ***Monday, December 17, 2012 and Tuesday, January 8, 2013 at 3:30 p.m.*** for the next set of meetings on the Due Diligence Review of the non-housing assets of the former redevelopment agency.

The Oversight Board was advised that they would be ratifying the Successor Agency's transfer of housing functions at their next meeting on December 17, 2012 as well. The Successor Agency was scheduled to formally transfer the housing functions to the San Diego County Housing Authority at the November 14, 2012 City Council/Successor Agency meeting at 7:00 p.m., and the Oversight Board's ratification of that action needed to follow that meeting.

AGENDA ITEM #5: COMMENTS FROM OVERSIGHT BOARD MEMBERS

Both Chairman Savage and Vice Chair Winston asked City Manager Till for an update on the November 7th Meet and Confer hearing that Agency representatives had recently held with the State Department of Finance (DOF). As discussed at the previous Oversight Board meeting on November 6, 2012, the Santee CDC Successor Agency had been among a multitude of agencies statewide that had received letters from the State Department of Finance disallowing major portions of the most recent Recognized Obligation Payment Schedules (ROPS) submitted for the period 1/1/13 to 6/30/13. The State DOF had also advised agencies that they could appeal the determination by requesting a Meet and Confer appointment with State officials. Santee CDC Successor Agency's Meet and Confer appointment had occurred on November 7, 2012.

City Manager Keith Till reported on the Meet and Confer session, noting that the Successor Agency had been represented by himself as City Manager, along with Finance Director McDermott and the City Attorney. There were so many agencies affected by State DOF review disallowances that they were holding up to eight Meet and Confer sessions per day over the last few weeks.

City Manager Till began by first recognizing the exemplary work by Finance Director Tim McDermott in preparing the Agency's case, and providing DOF officials with a point-by-point response to each of the disputed points, along with highlighted sections from their letter, and responsive documentation to each point from the Agency. The Agency's responses on the five disputed points were acknowledged by the DOF hearing officials, and there was some indication that they were questioning the basis for the DOF disallowance. However, City Manager Till noted that although they had been given reason to be cautiously optimistic on the potential outcome of the hearing, the Agency couldn't be overly confident because the Meet and Confer session was only one level of review, and there were further layers of DOF review by the audit staff below these officials, and the DOF Director's and Governor's Office above them. The DOF had advised all agencies that a formal response on the outcome of the Meet and Confer sessions would be issued on December 15th, and the Successor Agency could only be patient and wait for that response, and hope the State wouldn't delay its decision.

AGENDA ITEM #6: COMMUNICATION FROM THE PUBLIC

There was no communication from the public.

AGENDA ITEM #7: ADJOURNMENT

ACTION: On a motion by Board Member Pommering, seconded by Vice Chair Winston, the Oversight Board voted to adjourn the meeting, with all Members voting aye.

Meeting was adjourned at 3:55 p.m.



Pamela A. White
Senior Management Analyst
Santee CDC Successor Agency

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA STATEMENT

MEETING DATE December 17, 2012

AGENDA ITEM NO.

ITEM TITLE **DUE DILIGENCE REVIEW REPORT FOR ALL OTHER FUNDS OF THE SUCCESSOR AGENCY**

SUMMARY

Assembly Bill 1484 (“AB 1484”) which was signed into law by Governor Brown on June 27, 2012 imposes several new requirements on successor agencies. One such requirement is for all successor agencies to hire a licensed public accountant to conduct two Due Diligence Reviews, first for the Low and Moderate Income Housing Fund (which was approved by the Oversight Board on November 14, 2012) and then for all other funds held by the Successor Agency. The required procedures include a review of all assets held by the successor agency, any transfer of cash and cash equivalents by either the former redevelopment agency or successor agency after January 1, 2011, and specifically the identification of the amount of cash and cash equivalents available for distribution to taxing entities.

On September 10, 2012 the City received approval from the San Diego County Auditor and Controller (required by AB 1484) for the firm of Teaman, Ramirez & Smith Inc., Certified Public Accountants (“TRS”) to complete the reviews. TRS has extensive expertise in local government and redevelopment accounting and auditing. TRS currently serves as the City’s audit firm, and with the short turnaround time required by AB 1484 and TRS’s familiarity with the City and former Community Development Commission, TRS was retained to complete the reviews.

Attached is the Due Diligence Review Report for all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) (“Report”) prepared by TRS that has been transmitted to the County Auditor and Controller, State Controller’s Office and the State Department of Finance. At today’s meeting staff will present the Report to the Oversight Board for review and discussion, and public comment will be accepted. The Oversight Board will convene again on January 8, 2013 (at least five business days after the public comment session as required by AB 1484) to approve the Report. In accordance with the statutory provisions of AB 1484 Oversight Board approval of this Report must occur by January 15, 2013.

FINANCIAL STATEMENT

There is no fiscal impact at this time. The Report identifies that no funds are available to be remitted to the County for disbursement to affected taxing entities.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Review the Due Diligence Review Report, accept public comment, and provide direction to staff to bring the report back for approval on January 8, 2013

ATTACHMENTS (Listed Below)

Due Diligence Review Report for All Other Funds of the Successor Agency

City of Santee
Successor Agency to the Community Development
Commission of the City of Santee

Independent Accountants' Report
On Applying Agreed-Upon Procedures

**Independent Accountants' Report on Applying
Agreed-Upon Procedures**

City of Santee
Successor Agency to the Community Development
Commission of the City of Santee
Santee, CA

We have performed the required agreed-upon procedures (AUP) to All Other Funds of the former Community Development Commission, enumerated in Attachment A, which were agreed to by the California State Controller's Office, and the State of California Department of Finance (State Agencies) solely to assist you in complying with the requirements described in AB 1484. Management of the Successor Agency is responsible for the accounting records pertaining to compliance with the applicable requirements of AB 1484. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A. Attachment A identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records and appropriateness of the results summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the applicable State Agencies and the City of Santee, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Teaman Ramirez & Smith, Inc.

December 4, 2012

Attachment A

List of Procedures for Due Diligence Review

City of Santee (Successor Agency)

General information regarding these procedures:

1. The procedures associated with Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179.5(c)(6) are to be applied separately to (a) the Low and Moderate Income Housing Fund of the Successor Agency and to (b) all other funds of the Successor Agency combined (excluding the Low and Moderate Income Housing Fund).
2. The due date for the report associated with the Low and Moderate Income Housing Fund is October 1, 2012.
3. The due date for the report associated with all other funds of the Successor Agency combined (excluding the Low and Moderate Income Housing Fund) is December 15, 2012.
4. Because the procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures should be addressed in the report that is due on December 15, 2012.

Fiscal year references below refer to fiscal years ending on June 30. This language should be modified for those agencies that have a different fiscal year-end.

For purposes of the procedures below and the related exhibits, the amount of the assets presented should be based upon generally accepted accounting principles (GAAP), unless otherwise noted.

To the extent the procedures listed below are duplicative to the agreed upon procedures that were performed pursuant to HSC 34182 (a)(1), it is acceptable to obtain and use information from the HSC 34182 (a)(1) procedures for purposes of this due diligence review without having to re-perform the procedures. When this is done, the due diligence report should refer to the report that was issued for the agreed upon procedures performed under HSC 34182 (a)(1).

Certain assets may qualify as a deduction under more than one category of deduction. In such cases, care should be taken to ensure that such assets have been included as a deduction in the summary schedule only once.

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Suggested Procedure(s):

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the

Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Results:

We obtained an excel spreadsheet from the Successor Agency which listed total assets of \$34,799,822 transferred to the Successor Agency from the former redevelopment agency funds as of February 1, 2012 and agreed the assets to the trial balance provided by the Successor Agency.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results:

- 2. A. No transfers were reported by the Successor Agency.
- 2. B. No transfers were reported by the Successor Agency.
- 2. C. Not applicable.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

- 3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results:

- 3. A. No transfers were reported by the Successor Agency.
- 3. B. No transfers were reported by the Successor Agency.
- 3. C. Not applicable.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Suggested Procedure(s):

- 4. Perform the following procedures:
 - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
 - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
 - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller’s report filed for the Redevelopment Agency for that period.
 - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Results:

- 4. A. We obtained from the Successor Agency a summary of the financial transactions of the Community Development Commission and the Successor Agency in the format as determined by the State Controller's Office. See the attached Exhibit A for a copy of this schedule.
- 4. B. We verified that the beginning equity balances for the 12 months ended June 30, 2011 and June 30, 2012 agreed with the ending equity balances for the periods ending June 30,

2010 and June 30, 2011, respectively. We verified that the total of revenues, expenditures, and transfers as applicable, accounts for the changes in equity. The only exceptions were the prior period adjustments noted at Exhibit A.

4. C. We compared the amounts on the schedule for the period ending June 30, 2010 to the state controller's report filed by the Community Development Commission for the same period. No discrepancies were noted.

4. D. We compared the amounts on the schedule for the period ending June 30, 2011 to the state controller's report filed by the Community Development Commission for the same period. Also, we compared the amounts in the schedule for the period ending June 30, 2012 to trial balance reports and capital asset schedules provided by the Successor Agency. No discrepancies were noted.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012.

Suggested Procedure(s):

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Results:

We obtained the attached schedule (Exhibit B) from the Successor Agency listing total assets of \$35,349,796 for all of the other funds of the Successor Agency as of June 30, 2012. We agreed this schedule to a trial balance provided by the Successor Agency as of June 30, 2012.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any

bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Suggested Procedure(s):

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
 - A. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - B. Grant proceeds and program income that are restricted by third parties:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - C. Other assets considered to be legally restricted:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
 - D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are

in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Results:

- 6. A. We obtained the Successor Agency's computation of the restricted balances at June 30, 2012. We traced each component of this computation to accounting records and trustee bank statements that support the amount listed as unspent bond proceeds. See Exhibit C
- 6. B. No restrictions were provided that meet this criteria.
- 6. C. No restrictions were provided that meet this criteria.
- 6. D. See attached listing of restricted assets at Exhibit C. The restrictions are in effect until the related assets are expended for their intended purpose.

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Suggested Procedure(s):

- 7. Perform the following procedures:
 - A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
 - B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
 - C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
 - D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Results:

7. A. We obtained a listing from the Successor Agency (Exhibit D) that listed \$575,230 of assets as of June 30, 2012 that are not liquid or otherwise available for distribution. Based on the accounting records provided by the successor agency, we ascertained the values for the land are recorded at purchase cost and the unrealized gain on investments is a fair market value adjustment to cash and investments.

7. B. We traced the amounts referenced above to trial balance reports and capital asset schedules provided by the Successor Agency.

7. C. Not applicable. No discrepancies noted above.

7. D. We obtained supporting documentation from the Successor Agency showing the calculation of the unrealized gain on investments. The methodology used is to adjust investments from cost value to market value.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Suggested Procedure(s):

8. Perform the following procedures:

A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.

- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
- ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
- iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
- iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Results:

We compared the restricted balance as listed on the attached Exhibit E to a trial balance report provided by the Successor Agency. We then agreed the amount listed as restricted to the "Project Management Agreement" contract with Sourcepoint. The difference between the amount specified in the contract and the amount listed on the attached schedule at Exhibit E is the amount of interest earned on the required reserve deposit account. The "Project Management Agreement" is listed on the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2012 through December 31, 2012 and also on the ROPS for the period January 1, 2013 through June 30, 2013.

B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
- ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues:

- a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Results:

The Successor Agency did not claim any amounts that are restricted to fund enforceable obligations as described above. Therefore the above procedures are not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
 - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results:

The Successor Agency did not claim any amounts that are restricted to fund enforceable obligations as described above. Therefore the above procedures are not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
 - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Results:

Not applicable. The amount needed to satisfy an enforceable obligation as described at step 8 A above is a reserve requirement related to a project that is an enforceable obligation. The amount is shown as an asset but the Successor Agency does not have access to the account.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Suggested Procedure(s):

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Results:

The Successor Agency believes that of the cash balances available at June 30, 2012, all of the available balances will be needed to fund enforceable obligations for the period July 1, 2012 through December 31, 2012. We obtained the Recognized Obligation Payment Schedule for the period July 1, 2012 through December 31, 2012. See the attached schedule at Exhibit F.

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Suggested Procedure(s):

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Results:

See Exhibit G attached.

Suggested Procedure(s):

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Results:

The required representation letter from the Successor Agency management was obtained. We verified the letter included the provisions described above.

Santee CDC/Successor Agency
Summary of Financial Transactions

	Redevelopment Agency 12 Months Ended 06/30/10	Redevelopment Agency 12 Months Ended 06/30/11	Redevelopment Agency 7 Months Ended 01/31/12	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash and investments	\$ 7,958,616	\$ 9,789,514	\$ 7,356,190	\$ 8,335,325
Cash and investments with trustee	1,474,254	31,964,147	27,821,449	27,404,622
Unrealized gain (loss) on investments	49,315	64,585	89,164	24,905
Accrued interest receivable	100,383	141,446	60,821	100,365
Deposits	-	-	501,275	502,209
Rehab loans receivable	666,680	811,094	686,327	686,327
SoCal Housing loan receivable	3,915,615	4,006,103	4,058,887	4,096,590
Cedar Creek Apts loan receivable	5,385,477	5,543,757	5,636,087	5,702,037
Forester Sq Apts loan receivable	-	-	5,512,771	5,581,446
Advances to Other Funds (City)	-	-	30,000	30,000
Due from other governments	186,585	264,593	-	-
Prepaid items	-	71,400	-	-
Land held for development	638,000	638,000	439,000	439,000
First time home buyer loans receivable	-	2,268,800	-	-
Total Assets	\$ 20,374,925	\$ 55,563,439	\$ 52,191,971	\$ 52,902,826
Liabilities (modified accrual basis)				
Accounts payable	\$ 1,831,665	\$ 1,722,354	\$ 5,169,096	\$ 5,374,270
Deferred revenue	1,675,525	1,306,134	1,421,498	1,593,826
	-	-	-	-
Total Liabilities	3,507,190	3,028,488	6,590,594	6,968,096
Equity	16,867,735	52,534,951	45,601,377	45,934,730
Total Liabilities + Equity	\$ 20,374,925	\$ 55,563,439	\$ 52,191,971	\$ 52,902,826
Total Revenues:	\$ 11,002,652	\$ 41,154,583	\$ 431,222	\$ 1,151,475
Total Expenditures:	(19,402,068)	(8,222,847)	(5,071,437)	(818,122)
Total Transfers:	-	-	-	-
Net change in equity	(8,399,416)	32,931,736	(4,640,215)	333,353
Beginning Equity:	25,267,151	16,867,735	52,534,951	45,601,377
Prior Period Adjustments:	-	2,735,480	(2,293,359)	-
Ending Equity:	\$ 16,867,735	\$ 52,534,951	\$ 45,601,377	\$ 45,934,730
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	\$ 129,900	\$ 129,900	\$ 129,900	\$ 129,900
Long-term debt as of end of year	\$ 21,786,420	\$ 51,831,606	\$ 51,108,473	\$ 51,117,063

Santee CDC
Assets (non-housing) Held by CDC Successor Agency
June 30, 2012

	Capital Project Funds	Debt Service Funds	Redev Oblig Retirement Fund 199	General Fixed Assets	Totals
Cash and investments	\$ 519,618	\$ 5,250,041	\$ 985,213	\$ -	\$ 6,754,872
Cash and investments with trustee	23,239,292	4,165,330	-	-	27,404,622
Unrealized gain (loss) on investments	612	4,557	1,161	-	6,330
Accrued Interest receivable	1,468	92,038	281	-	93,787
Due from other funds	19,076	-	-	-	19,076
Deposit - SourcePoint reserve	502,209	-	-	-	502,209
Land held for development	439,000	-	-	-	439,000
Land - other	-	-	-	129,900	129,900
	<u>\$ 24,721,275</u>	<u>\$ 9,511,966</u>	<u>\$ 986,655</u>	<u>\$ 129,900</u>	<u>\$ 35,349,796</u>
Total assets					

Santee CDC
 Assets (non-housing) Held by CDC Successor Agency
 June 30, 2012

		Unspent Bond Proceeds	
Cash and investments with trustee	\$	27,404,622	*
Accrued Interest receivable		78,696	*
 Total assets	 \$	 27,483,318	

*Balances represent unspent bond proceeds from the 2011 Tax Allocation Bonds. These are restricted until they are spent for their specified use as described in the Bonds Official Statement.

Santee CDC
Assets (non-housing) Held by CDC Successor Agency
June 30, 2012

	<u>Not Cash or Cash Equiv.</u>
Unrealized gain (loss) on investments	\$ 6,330
Land held for development	439,000
Land - other	<u>129,900</u>
Total assets	<u><u>\$ 575,230</u></u>

Santee CDC
 Assets (non-housing) Held by CDC Successor Agency
 June 30, 2012

		<u>Restricted Funds</u>	
Deposit - SourcePoint reserve	\$	502,209	*

*This balance relates to the "Project Management Agreement" as listed on the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2012 through December 31, 2012 and also on the ROPS for the period January 1, 2013 through June 30, 2013. The contract with Sourcepoint requires a \$500,000 deposit that is placed in an interest bearing "reserve" account that may be used by Sourcepoint in order to pay for project costs incurred by Sourcepoint on behalf of the Santee Community Development Commission.

Santee CDC Successor Agency
Cash and Cash Equivalents Available to Meet Enforceable Obligations
July 2012 Through December 2012

	Amounts Listed on ROPS II	Amounts of Existing Cash Needed to Satisfy Obligations
Payments required on enforceable obligations funded from Reserve Balance, Admin Allowance and RPTTF through 12/31/12:		
Tax Allocation Bonds 2005	A \$ 1,008,667	\$ 975,637
Tax Allocation Bonds 2011 Series A	B 1,332,288	1,323,157
Tax Allocation Bonds 2011 Series B	C 278,563	274,954
Arbitrage rebate calculations	D 5,000	2,000
Helix Environmental contract	E 21,873	20,563
Successor agency administration	F 125,000	125,000
	<hr/>	<hr/>
Total payments required on enforceable obligations	\$ 2,771,391	\$ 2,721,311
	<hr/>	<hr/>

The Successor Agency believes that available cash balances are needed to fund these enforceable obligations from the property tax payment received in June to pay amounts listed on ROPS II for period July 1, 2012 through December 31, 2012.

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177(l)

File for Period July 2012 to December 2012

Exhibit F

Project Name / Debt Obligation	Total from Form B	Source of Payment						TOTAL
		RPTTF	Low and Moderate Income Housing Fund	Bond Proceeds	Reserve Balances	Administrative Cost Allowance	Other Revenue Sources	
1) Tax Allocation Bonds 2005 Series A	\$ 1,008,667	-	-	-	975,641	-	33,026	\$ 1,008,667
2) Tax Allocation Bonds 2011 Series A	\$ 1,332,288	964,380	-	-	354,158	-	13,750	\$ 1,332,288
3) Tax Allocation Bonds 2011 Series B	\$ 278,563	-	-	-	275,627	-	2,936	\$ 278,563
4) Bond trustee fees	\$ -	-	-	-	-	-	-	\$ -
5) Arbitrage rebate calculations	\$ 5,000	-	-	-	5,000	-	-	\$ 5,000
6) Continuing disclosure reporting	\$ -	-	-	-	-	-	-	\$ -
7) Project management agreement	\$ 5,020,000	-	-	1,020,000	4,000,000	-	-	\$ 5,020,000
8) Professional services agreement-habitat monitoring	\$ 21,873	-	-	-	21,873	-	-	\$ 21,873
9) Successor agency administration	\$ 125,000	-	-	-	-	125,000	-	\$ 125,000
10)	\$ -	-	-	-	-	-	-	\$ -
11)	\$ -	-	-	-	-	-	-	\$ -
12)	\$ -	-	-	-	-	-	-	\$ -
13)	\$ -	-	-	-	-	-	-	\$ -
14)	\$ -	-	-	-	-	-	-	\$ -
15)	\$ -	-	-	-	-	-	-	\$ -
16)	\$ -	-	-	-	-	-	-	\$ -
17)	\$ -	-	-	-	-	-	-	\$ -
18)	\$ -	-	-	-	-	-	-	\$ -
19)	\$ -	-	-	-	-	-	-	\$ -
20)	\$ -	-	-	-	-	-	-	\$ -
Totals - This Page	\$ 7,791,391	\$ 964,380	\$ -	\$ 1,020,000	\$ 5,632,299	\$ 125,000	\$ 49,712	\$ 7,791,391
Totals - Page 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages	\$ 7,791,391	\$ 964,380	\$ -	\$ 1,020,000	\$ 5,632,299	\$ 125,000	\$ 49,712	\$ 7,791,391

A
B
C
D
E
F

A,B,C,D,E,F - See Exhibit F "Cash and Cash Equivalents Available to Meet Enforceable Obligations"

**Section 34179.5 (c) (5) and (6) Computation of Available Monies
City of Santee as Successor Agency to the Community Development Commission**

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

		<u>All Other RDA Funds</u>
Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)		\$ 35,349,796
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6):		(27,483,318)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(575,230)
Real Property	\$ (568,900)	
Unrealized Gain on Investments	(6,330)	
		(575,230)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		(502,209)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		(2,721,311)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		(4,126,937)
Add the amount of any assets transferred to the city for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		-
Amount available to be remitted to county for disbursement to taxing entities		<u>\$ (59,209)</u>

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA STATEMENT

MEETING DATE December 17, 2012

AGENDA ITEM NO.

ITEM TITLE **RESOLUTION OF THE SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD RATIFYING THE TRANSFER OF HOUSING ASSETS AND FUNCTIONS OF THE FORMER SANTEE COMMUNITY DEVELOPMENT COMMISSION TO THE SAN DIEGO COUNTY HOUSING AUTHORITY AS DESIGNATED SUCCESSOR AGENCY**

SUMMARY

On January 25, 2012, the Santee City Council formally designated the San Diego County Housing Authority as the successor agency to assume the housing functions and assets previously administered by the Santee Community Development Commission (CDC). AB 1x 26, which dissolved all redevelopment agencies in California, did not identify a continuing source of funding from which the City could administer housing assets and functions. Despite the lack of a dedicated source of funding, successor housing agencies remain responsible for annual monitoring of compliance with regulatory agreements (each having a 55-year term), administration of residual loan payment obligations, and performing annual compliance monitoring of the former CDC's portfolio of mobilehome and single-family rehabilitation loans. Housing successor agencies may also remain responsible for meeting any future mandates for the provision of low and moderate income housing and other housing-related programs.

Housing assets of the former Santee CDC to be transferred to the County of San Diego Housing Authority include three residual receipt loans (those for the Shadow Hill, Cedar Creek and Forester Square affordable apartment projects), 55 mobile home rehabilitation loans and three single family home rehabilitation/improvement loans. A detailed schedule of the housing assets to be transferred is attached.

The CDC Successor Agency is authorized and obligated to transfer the housing assets of its former CDC to the designated housing successor agency, the San Diego County Housing Authority. The purpose of this agenda item is to ratify the CDC Successor Agency action that was taken on November 14, 2012 to effect the transfer of the specific assets identified on the attached schedule.

FINANCIAL STATEMENT

The transfer of housing assets of the former Santee CDC will eliminate future expenses associated with the administration of such assets and other housing functions.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Adopt the resolution ratifying the CDC Successor Agency's action to transfer CDC housing assets to the County of San Diego Housing Authority as the designated successor agency under AB 1x 26 consistent with prior City Council action on January 25, 2012.

ATTACHMENTS

Resolution

Schedule of Housing Assets for Transfer to the San Diego County Housing Authority

**RESOLUTION OF THE SANTEE COMMUNITY DEVELOPMENT COMMISSION
SUCCESSOR AGENCY OVERSIGHT BOARD RATIFYING THE TRANSFER OF
HOUSING ASSETS AND FUNCTIONS OF THE FORMER SANTEE COMMUNITY
DEVELOPMENT COMMISSION TO THE SAN DIEGO COUNTY HOUSING
AUTHORITY AS DESIGNATED SUCCESSOR AGENCY**

WHEREAS, as part of the 2011-12 State budget bill, companion bills AB 1X26 and AB 1X27, eliminated the redevelopment functions of the Santee Community Development Commission (“CDC”) and required their dissolution; and

WHEREAS, on January 11, 2012, the Santee City Council elected to become the successor agency to the CDC (“CDC Successor Agency”); and

WHEREAS, on January 25, 2012, the Santee City Council designated the San Diego County Housing Authority as the successor agency to assume CDC housing assets and functions in accordance with Health and Safety Code Section 34176(b); and

WHEREAS, on November 14, 2012 the CDC Successor Agency approved the immediate transfer of CDC housing assets to the San Diego County Housing Authority as the designated successor agency.

NOW THEREFORE BE IT RESOLVED, by the Santee Community Development Commission Successor Agency Oversight Board as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. CEQA Compliance. The transfer of housing assets and functions and encumbered funds through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The Oversight Board Secretary is authorized and directed to file a Notice of Exemption with the appropriate official of the County of San Diego, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Ratification of the Transfer of Housing Assets and Functions to the San Diego County Housing Authority. The action by the CDC Successor Agency approving the immediate transfer of CDC housing assets to the San Diego County Housing Authority as the designated successor agency is hereby approved.

Section 4. Effective Date. This Resolution shall become effective upon its adoption.

ADOPTED by the Santee Community Development Commission Successor Agency Oversight Board at a Special Meeting thereof held this 17th day of December 2012, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

WARREN H. SAVAGE JR., CHAIRPERSON

ATTEST:

PAMELA A. WHITE, SECRETARY

CDC Successor Agency
Housing Assets for Transfer to the San Diego County Housing Authority
As of November 14, 2012

Description	Borrower	Date	Amount
Affordable housing loan	Southern CA Housing Dev. Corp.	07/25/01	\$ 4,096,590.46 *
Affordable housing loan	Fanita 48, L.P.	10/20/09	5,702,037.00 *
Affordable housing loan	Forester Square L.P.	12/13/11	5,581,446.17 *
Mobile home rehabilitation loan	Alread	09/22/06	12,220.00
Mobile home rehabilitation loan	Batie	06/19/92	5,348.00
Mobile home rehabilitation loan	Batson	04/20/06	15,385.00
Mobile home rehabilitation loan	Becker	12/04/97	6,000.00
Mobile home rehabilitation loan	Bemus	05/02/06	11,670.00
Mobile home rehabilitation loan	Berendt	07/11/07	13,690.00
Mobile home rehabilitation loan	Blaylock	02/09/11	14,930.00
Mobile home rehabilitation loan	Bookmiller	01/20/98	6,000.00
Mobile home rehabilitation loan	Bowman	03/25/09	6,390.00
Mobile home rehabilitation loan	Burkhead	10/22/09	14,830.00
Mobile home rehabilitation loan	Crichton	12/20/06	15,122.00
Mobile home rehabilitation loan	Curtis	02/08/07	9,025.00
Mobile home rehabilitation loan	Cunningham	05/12/04	7,280.00
Mobile home rehabilitation loan	Daddario	12/19/96	11,440.00
Mobile home rehabilitation loan	Des Lauries	02/26/02	5,490.00
Mobile home rehabilitation loan	Dill	08/12/05	8,490.00
Mobile home rehabilitation loan	Fabian	04/13/11	9,295.00
Mobile home rehabilitation loan	Finney	04/08/04	8,550.00
Mobile home rehabilitation loan	Fogerty	03/01/06	10,135.00
Mobile home rehabilitation loan	Franks	10/28/04	9,485.00
Mobile home rehabilitation loan	Gonzales	04/15/09	12,825.00
Mobile home rehabilitation loan	Gulve	01/25/11	14,996.00
Mobile home rehabilitation loan	Hansen	02/08/95	6,000.00
Mobile home rehabilitation loan	Harding	09/24/02	15,000.00
Mobile home rehabilitation loan	Hawkins	07/16/03	9,240.00
Mobile home rehabilitation loan	Johnson	08/09/02	3,118.00
Mobile home rehabilitation loan	Kermath	05/20/10	15,000.00
Mobile home rehabilitation loan	Manzano	02/15/11	13,176.00
Mobile home rehabilitation loan	Miller	07/20/11	13,440.00
Mobile home rehabilitation loan	Mitchell	07/08/97	6,000.00
Mobile home rehabilitation loan	Montrone	06/17/05	11,845.00
Mobile home rehabilitation loan	Moore	03/29/07	8,480.00
Mobile home rehabilitation loan	Notargiacomo	01/17/03	8,965.00
Mobile home rehabilitation loan	Ortiz	01/24/94	4,939.00
Mobile home rehabilitation loan	Rabichaud	06/26/02	8,340.00
Mobile home rehabilitation loan	Ritz	10/10/05	9,155.00
Mobile home rehabilitation loan	Rock	04/06/05	8,210.00
Mobile home rehabilitation loan	Roe	06/29/10	15,000.00
Mobile home rehabilitation loan	Sampier	01/07/99	11,013.00
Mobile home rehabilitation loan	Seelig	10/09/02	8,944.00
Mobile home rehabilitation loan	Severe	05/27/09	14,915.00
Mobile home rehabilitation loan	Sidels	12/11/03	8,910.00
Mobile home rehabilitation loan	Sinock	03/03/08	18,490.00
Mobile home rehabilitation loan	Smith	12/21/07	13,530.00
Mobile home rehabilitation loan	Smith	09/16/04	7,235.00
Mobile home rehabilitation loan	Spaulding	02/28/03	8,495.00
Mobile home rehabilitation loan	Spritz	11/29/99	8,205.00
Mobile home rehabilitation loan	St John	06/16/09	14,480.00
Mobile home rehabilitation loan	Stevenson	11/04/96	6,000.00
Mobile home rehabilitation loan	Stone	11/02/09	14,675.00
Mobile home rehabilitation loan	Sullivan	08/18/09	12,230.00
Mobile home rehabilitation loan	Theisen	04/29/09	11,555.00
Mobile home rehabilitation loan	Urich	03/02/06	20,000.00
Mobile home rehabilitation loan	Webster	07/12/00	6,165.00
Mobile home rehabilitation loan	Wilson	05/20/09	14,210.00
Single family rehabilitation loan	Evangelista	09/21/99	19,355.00
Single family rehabilitation loan	White	05/23/94	6,094.50
Home improvement loan	Mazzola	01/18/11	44,888.00

* Amounts include accrued interest through June 30, 2012