

**NOTICE AND CALL OF A SPECIAL MEETING  
OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
MANTECA REDEVELOPMENT AGENCY**

PLEASE TAKE NOTICE THAT THE CHAIRMAN TO THE SUCCESSOR AGENCY HEREBY CALLS A SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY.

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**DARYLL QUARESMA, CHAIRMAN  
SUCCESOR AGENCY TO THE MANTECA  
REDEVELOPEMNT AGENCY**

**October 9, 2012  
2:00 p.m.  
MANTECA CITY HALL  
City Council Chambers  
1001 W. Center Street  
Manteca, California**

The Oversight Board has been created pursuant to § 34161 through 34190 of the Health and Safety Code for the sole purpose of overseeing the actions of the Successor Agency to the Manteca Redevelopment Agency. In accordance with Health and Safety Code § 34179(h), all Oversight Board Actions shall not be effective for three business days, pending a request for review by the State Department of Finance (“Department”). In the event that the Department requests a review of a given Oversight Board action, it shall have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration, and such Oversight Board action shall not be effective until approved by the Department. In the event that the Department returns the Oversight Board action to the Oversight Board for reconsideration, the Oversight Board shall resubmit the modified action for Department approval, and the modified Oversight Board action shall not become effective until approved by the Department.

**Reports and documents relating to each of the following items listed on the agenda, including those received following posting/distribution, are on file in the Office of the Secretary to the Successor Agency to the Manteca Redevelopment Agency/City Clerk and are available for public inspection during normal business hours, Monday – Friday, 7:30 a.m. – 5:30 p.m., closed alternating Fridays, 1001 W. Center Street, Manteca, CA 95337, telephone (209) 456-8017.**

**Please contact the Office of the Secretary of the Successor Agency to the Manteca Redevelopment Agency, 1001 W. Center Street, Manteca, CA,**

**(209) 456-8017, for assistance with access to any of the agenda, materials, or participation at the meeting.**

The purpose of the special meeting of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency shall be as follows:

1. PUBLIC COMMENT ON ITEMS LISTED BELOW.
2. Approve special meeting minutes of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency of October 1, 2012.
3. Adopt a resolution, (i) approving the Due Diligence Review for the Low and Moderate Income Housing Fund pursuant to Health and Safety Code Section 34179.5, as presented, (ii) authorizing the Successor Agency to retain the assets and funds, if any, identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 343179.5, as documented in the Due Diligence Review (the "Restricted Assets"), and (iii) ordering the transmittal of the Due Diligence Review to the Department of Finance and the county auditor-controller.
4. Adjournment.

Please note that members of the public will be provided the opportunity to directly address the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency concerning any item described above before the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency considers such items. No other business shall be considered.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please call (209) 456-8017. 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).

This notice of a special meeting of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency was posted on the bulletin board at City Hall, 1001 W. Center St., Manteca, California and at the following website <http://www/successoragency/index.html> on October 4, 2012.

**JOANN TILTON, MMC  
SECRETARY/CITY CLERK**

## **AGENDA ITEM NO. 2**

### **SPECIAL MEETING MINUTES OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY HELD OCTOBER 1, 2012**

The Special Meeting of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency held October 1, 2012, in the City Council Chambers, 1001 W. Center St., Manteca, California, was called to order by Chairman Daryll Quaresma at 2:04 p.m.

Roll Call: Board Members: Khan, Madison, Harris (Alternate) Shields, Puentes-Griffith and Quaresma. Also present was Alternate Member Holbrook. Board Members Thomas and Weatherford were absent as were Alternates Anderson and Keokham.

1. PUBLIC COMMENT ON ITEMS LISTED BELOW.

No one appeared to speak.

2. Approve minutes of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency of August 28, 2012.

**ACTION: APPROVE THE MINUTES OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY OF AUGUST 24, 2012.** (Shields/Khan) The motion carried unanimously 6-0.

3. Receive and review the Due Diligence Review for the Low and Moderate Income Housing Fund pursuant to Health and Safety Code Section 34179.5 and convene the Public Comment session.

The Executive Director introduced the report and outlined protocol for the Due Diligence Review as delineated in Health and Safety Code Section 34179.5.

The Executive Director and the Finance Director responded to questions of the Board.

**WITHOUT OBJECTION THE OVERSIGHT BOARD REVIEWED AND RECEIVED THE DUE DILIGENCE REVIEW FOR THE LOW AND MODERATE INCOME HOUSING FUND PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5 AND CONVENEED THE PUBLIC COMMENT SESSION.**

4. Adjournment.

With nothing further to come before the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency, the meeting adjourned at 2:16 p.m., to the next regular meeting of the Oversight Board of the Successor Agency to the

Manteca Redevelopment Agency to be held on Tuesday, **October 23, 2012, at 2:00 p.m.**, in the City Council Chambers, 1001 W. Center Street, Manteca, California.

**JOANN TILTON, MMC  
AGENCY SECRETARY**

**DARYLL QUARESMA  
CHAIRMAN**

### **AGENDA ITEM NO. 3**

OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY  
TO THE MANTECA REDEVELOPMENT AGENCY

To: Members of the Oversight Board

From: Karen L. McLaughlin, Executive Director  
Suzanne Mallory, Finance Director

Date: October 9, 2012

Subject: Approval and Transmittal of the Due Diligence Review for the Low and Moderate Income Housing Fund in Accordance with Health And Safety Code Section 34179.5

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Recommendation:

That the Oversight Board adopt the attached resolution, (i) approving the Due Diligence Review for the Low and Moderate Income Housing Fund pursuant to Health and Safety Code Section 34179.5, as presented, (ii) authorizing the Successor Agency to retain the assets and funds, if any, identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Due Diligence Review (the “Restricted Assets”), and (iii) ordering the transmittal of the Due Diligence Review to the Department of Finance and the county auditor-controller.

Background:

Pursuant to Health and Safety Code Section 34179.5, each Successor Agency must 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 to determine the unobligated balances available for transfer to taxing entities.

Each review must determine the net balance of the Low and Moderate Income Housing Fund (the “LMIHF”) and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities as of June 30, 2012 (the “Due Diligence Review”). In summary, such amount is determined by determining the total value of assets and cash and cash equivalents in the LMIHF and subtracting the following

Restricted Assets: (1) restricted funds, (2) assets that are not cash or cash equivalents, (3) amounts that are legally or contractually dedicated or restricted for the funding of an enforceable obligation, and (4) amounts that are needed to satisfy obligations that will be put on the Recognized Obligation Payment Schedule (“ROPS”) for the current fiscal year. Also, the amount determined to be available for allocation to taxing entities includes the value of assets, cash and cash equivalents transferred after January 1, 2011 through June 30, 2012 by the former redevelopment agency or the Successor Agency to the city, another public agency or private person if an enforceable obligation to make that transfer did not exist. The Due Diligence Review documents the Restricted Assets and provides the respective amounts, sources and purposes for which the Restricted Assets should be retained.

Health and Safety Code Section 34179.6 requires each Successor Agency to submit the Due Diligence Review to the Oversight Board for the Oversight Board’s review and approval.

Upon receipt of the Due Diligence Review, the Oversight Board must convene a public comment session to take place at least five business days before the Oversight Board holds the approval vote. The Oversight Board also must consider any opinions offered by the county auditor-controller on the review results submitted by the Successor Agency.

By October 15, 2012, the Oversight Board must review, approve, and transmit the Due Diligence Review to the state department of finance (“DOF”) and the county auditor-controller. The Oversight Board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval must occur in public sessions. The Oversight Board may request from the Successor Agency any materials it deems necessary to assist in its review and approval of the determination.

Section 34179.6 empowers the Oversight Board to authorize a Successor Agency to retain the Restricted Assets.

The DOF must complete its review of the Due Diligence Review no later than November 9, 2012, and must notify the Oversight Board and the Successor Agency of its decision to overturn any decision of the Oversight Board to authorize a Successor Agency to retain Restricted Assets. The DOF must provide the Oversight Board and the Successor Agency an explanation of its basis for overturning or modifying any findings, determinations, or authorizations of the Oversight Board. The Successor Agency then has the option to meet and confer with DOF to discuss any modifications.

By December 1, 2012, the county auditor-controller must provide DOF a report specifying the amount submitted by each Successor Agency from the LMIHF, and specifically noting any Successor Agency that failed to remit the full required amount.

Section 34179.5 also requires a similar review of all other funds and accounts held by the Successor Agency to determine unobligated balances available for transfer to taxing entities. The review for all other funds and accounts must be completed by December 15, 2012 and the county auditor-controller has an April 20, 2013 deadline to provide DOF the report specifying the amount submitted by each Successor Agency from all other funds and accounts, and specifically noting any Successor Agency that failed to remit the full required amount.

Upon full payment of the amounts determined in the Due Diligence Review and the subsequent review conducted for all other funds and accounts, payment of the “surplus” tax revenues due on July 12, 2012, and any unpaid or underpaid pass through payments owed for fiscal year 2011-12, DOF will issue to the Successor Agency, within five business days, a finding of completion of the requirements of Section 34179.6.

Moss, Levy, Hartzheim, LLP, Certified Public Accountants and Consultants were retained by the Successor Agency to conduct the Due Diligence Review.

The Oversight Board held the required public comment session regarding the Due Diligence Review on October 1, 2012.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY TO THE MANTECA REDEVELOPMENT AGENCY  
APPROVING THE DUE DILIGENCE REVIEW OF THE LOW AND  
MODERATE INCOME HOUSING FUND CONDUCTED PURSUANT TO  
HEALTH AND SAFETY CODE SECTION 34179.5 AND TAKING  
CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**RECITALS:**

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Manteca Redevelopment Agency transferred to the control of the Successor Agency to the Manteca Redevelopment Agency (the "Successor Agency") by operation of law.

B. Health and Safety Code Section 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

C. Health and Safety Code Section 34179.6 requires the Successor Agency to submit the results of the review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (the "LMIHF") and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Due Diligence Review") to the Successor Agency's Oversight Board (the "Oversight Board") for the Oversight Board's review and approval.

D. Pursuant to Health and Safety Code Sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the Due Diligence Review and a copy of the Recognized Obligation Payment Schedule ("ROPS").

E. Pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Due Diligence Review, and at least five business days before the Oversight Board considers the approval of the Due Diligence Review, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the results of the Due Diligence Review and at which time the Oversight Board considers the opinions, if any, offered by the county auditor-controller on the results of the Due Diligence Review.

F. On October 1, 2012, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6 (b).

G. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board must review, approve and transmit to DOF and the county auditor-controller, the determination of the amount of cash and cash equivalents in the LMIHF available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. Section 34179.6 (c) provides that the Oversight Board may adjust any amount provided in the Due Diligence Review to reflect additional information and analysis.

H. Section 34179.6(c) empowers the Oversight Board to authorize the Successor Agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5. If the Oversight Board makes this authorization, the Oversight Board must identify to DOF the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of DOF pursuant to Health and Safety Code Section 34179.6(d).

I. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board desires to approve the Due Diligence Review and to authorize the Successor Agency to retain the assets and funds, if any, identified pursuant to subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Due Diligence Review.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34179.6(c).

Section 3. The Oversight Board hereby approves the Due Diligence Review as presented on file with the Secretary.

Section 4. For the purposes of providing for the transfer of housing functions and assets pursuant to Health and Safety Code Sections 34176 and 34181(c), the Oversight Board hereby authorizes the Successor Agency to retain the assets and funds, if any, identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Due Diligence Review, which provides the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained.

Section 5. The staff of the Successor Agency is hereby directed to transmit to DOF and the county auditor-controller written notice and information regarding the actions taken by this Resolution and specifically the determination of the amount of cash and cash equivalents in the LMIHF that are available for disbursement to taxing entities as determined according to the

method provided in Health and Safety Code Section 34179.5. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

Section 6. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary