



Briefing on AB 1484—True-Ups, Timelines and Safe Harbors

Monday, July 16, 2012
3 – 4:00 p.m.



How to Ask a Question

- All phone lines have been muted
- For Questions - Use the Q&A window to the right side of your screen
- Please enter your **Name**, **Title** and **City** when you ask a question



Upcoming Important Dates

- **August 1:** Successor housing entity submits list to DOF of housing assets that successor agency transferred to it after February 1.
- **August 15 +/-:** Oversight Board meets to approve ROPS for January – June 2013
- **September 1:** ROPS for January – June 2013 submitted to DOF
- **October 1:** Audit of LMIHF due to DOF, auditor-controller and oversight board



Successor Agency To-Do's

- Prepare ROPS for January – June 2013
- Schedule Oversight Board meeting for early to mid-August
- Hire Licensed Accountant for LMIHF and other funds audit. Approval of auditor-controller required.

Excess reserve payment demands ("true-ups")

- Timeline
 - **July 9**—County auditor-controller demand letter
 - **July 12**—Payment from successor agency due
 - **July 16**—County auditor-controller distributes money to taxing entities
 - **July 18**—sales tax payments suspended for non-payment
- Issues
 - DOF position
 - Litigation
 - Penalties

Housing assets

- Timeline
 - **August 1**—successor housing entity must submit housing asset list to DOF
 - Other deadlines
- Issues
 - Definition of housing assets
 - DOF review and approval of housing asset list/meet-and-confer process
 - Housing Bonds

ROPS—January-June 2013

- Timeline
 - **Around August 15**—Oversight board approval of ROPS
 - **September 1**—ROPS submitted electronically to DOF after oversight board approval
 - **October 1**—Auditor-controller estimate of amounts to be allocated for January-June 2013 ROPS
- Issues
 - Penalty for late submittal
 - Auditor-controller may object to items on ROPS
 - Timeframe for DOF determinations

Audits and due diligence review

- Timeline
 - **As soon as possible**—successor agency to hire accountant and conduct due diligence review of unobligated balances in LMIHF and other funds and submit for approval to oversight board
 - **October 1**—successor agency to submit LMIH due diligence report to oversight board, auditor controller, State Controller and DOF
 - **October 1**—auditor-controller to complete agree-upon procedures audit
 - **October 15**—oversight board approval of LMIHF review, transmit to DOF
 - **November 9**—DOF to complete review of LMIHF due diligence report; successor agency to transfer LMIHF funds to auditor-controller within 5 days of DOF final determination

Audits and due diligence review (continued)

- Issues
 - Penalties for failure to transfer funds
 - Definitions

Finding of Completion (so-called “safe harbor”)

- Pay following amounts
 - LMIHF funds
 - Unobligated funds in other accounts
 - Excess reserve payment

Finding of Completion (so-called “safe harbor”)

- Results of Finding of Completion with oversight board approval
 - City-redevelopment agency loan agreements are enforceable obligations
 - Bond proceeds from bonds issued before 12/31/10 may be used for purposes for which bonds were sold
 - Real property assets may be retained pursuant to long range property management plan approved by DOF
 - Longer statute of limitations to challenge actions of former RDA do not apply

Finding of Completion (so-called “safe harbor”)

- Issues
 - Disposal of property prior to receiving Finding of Completion
 - Use of bond proceeds



Questions

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Thank you!