STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE CITY OF INGLEWOOD FORMER REDEVELOPMENT AGENCY OVERSIGHT BOARD

CITY OF INGLEWOOD COUNCIL CHAMBERS ONE MANCHESTER BOULEVARD INGLEWOOD, CALIFORNIA 90301

Monday, November 5, 2012 6:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (12-5303)

Attachments: Audio

CALL TO ORDER

Chair Butts, Jr., called the meeting to order at 6:30 p.m.

PLEDGE OF ALLEGIANCE

Chair Butts, Jr., led the Pledge of Allegiance

ROLL CALL

Rhonda Rangel, Administrative Staff, called the roll:

Present: Board Members Margarita Cruz, Jo Ann Higdon, Carolyn M.

Hull, Glenston Thompson and Chair James T. Butts, Jr.

Absent: Vice Chair Michael Banner

Vacancy: Los Angeles County Sanitation District No. 5 Appointee

PUBLIC COMMENTS REGARDING AGENDA ITEMS

Persons wishing to address the Oversight Board on any item on today's agenda may do so at this time.

There were none.

ADMINISTRATIVE MATTERS

1. Approval of the August 16, 2012 Minutes. (12-5173)

On motion of Chair Butts, second by Board Member Higdon, duly carried by the following votes, the Oversight Board approved the August 16, 2012 minutes:

Ayes: 5 - Board Member Cruz, Board Member Higdon, Board

Member Hull, Board Member Thompson and Chair

Butts Jr.

Absent: 1 - Vice Chair Banner

Vacancy: 1 - Los Angeles County Sanitation District No. 5 Appointee

Attachments: August 16, 2012 Minutes

REVIEW AND CONVENE TO PUBLIC COMMENT SESSION

2. Receive and review the Housing Fund Due Diligence Review (DDR) Report; and convene a public comment session pertaining to the DDR Report, pursuant to California Health and Safety Code Section 34179.6. (12-5175)

Board Member Cruz presented a summary of the Housing Fund Due Diligence Review (DDR) Report and informed the Oversight Board that AB 1484 required Successor Agencies to prepare a review of the Low Moderate Income Housing Fund as well the Non-Income Housing Fund. The firm Mayer Hoffman & McCann P.C. was selected to prepare the DDR report meeting the requirements setforh by the Department of Finance (DOF). Board Member Cruz reminded the Oversight Board that the intention of this meeting is to open the public comment session and to schedule a second meeting five business days later, to make a determination on the DDR. Board Member Cruz also recommended to the Oversight Board that they have the ability to make any revisions based on the information presented today to be reviewed, discussed, and determined at the second meeting suggested to be held November 15, 2012.

On motion of Chair Butts, Jr., by Common Consent, there being no objection (Vice Chair Banner being absent and Los Angeles County Sanitation District 5 being vacant), the Oversight Board convened the public comment session pertaining to the DDR report.

There were no public comments.

By Common Consent, there being no objection (Vice Chair Banner being absent and the Los Angeles County Sanitation District 5 appointee being a vacant), the Oversight Board closed the public comment session.

Board Member Cruz opened the floor for Ken Al-Imam, a Certified Public Account for Mayer Hoffman & McCann P.C., to discuss in detail the key items and issues in the DDR report. Mr. Al-Imam presented additional background information pertaining to AB 1484, as well as, the purpose and requirements of the Bill for each Successor Agency, which requires cities to calculate the amount of cash available for remittance to the County for distribution to the other taxing entities. Additionally, AB 1484 also required that the calculations be subjected to performance of audit procedures approved by the DOF with a primary focus of the DDR on the Housing Fund.

Mr. Al-Imam requested the Board to draw their attention to Exhibit A of the DDR report, which demonstrates the actual computation used in the methodology required by AB 1484, and denotes the Low to Moderate Income Housing Fund's assets held by the Successor Agency as of June 30, 2012. Mr. Al-Imam further informed that AB 1484 requires any assets that were transferred from the Low to Moderate Income Housing Fund from the former Redevelopment Agency to the City of Inglewood after January 1, 2011 be included in the computation. These assets would be evaluated as part of the Due Diligence Review process to ascertain which assets are not liquidated and available for immediate remittance for the County to distribute to the taxing entities. The DDR report found the majority of the assets were Long-Term Receivables or properties held for resale that are not available for remittance, which in turn leaves about \$7.0 million in cash to be evaluated and determine whether or not the cash qualifies for remittance to the County for distribution to the taxing entities.

Mr. Al-Imam introduced another provision of AB 1484 to the Oversight Board, which points to the Successor Agency to determine whether or not those cash balances are needed to be retained because of the insufficiency of property tax revenues being remitted to the Successor Agency to meet the payment requirements of the enforceable obligations over the term.

Board Member Thompson inquired about the breakdown of the assets, and if those assets are an aggregate of different asset classes. Mr. Al-Imam directed the attention of the Board to Exhibit B of the DDR

report, which displays a breakdown of \$45 million as of June 30, 2012 under the Recognized Obligation Payment Schedule (ROPS) report.

Board Member Thompson questioned the Loans Receivable and what constitutes loans receivable. Mr. Al-Imam identified a listing of loans that have been made by the Housing Fund to various parties, for example, the First Time Homebuyer program loans, which have received payments. Additionally, Mr. Al-Imam, advised the Oversight Board that the example present falls under the enforceable obligations that have been in effect prior to June 2011.

Board Member Cruz requested clarification regarding the Cooperative Agreement between the former Redevelopment Agency and the City of Inglewood. Royce Jones, Successor Agency Legal Counsel, clarified that the statement on the status of the Cooperative Agreement between the City of Inglewood and the former Inglewood Redevelopment Agency will be eliminated from the report.

Board Member Cruz reiterated that no action can be taken by the Oversight Board at this time, but receive and acknowledge information presented.

Board Member Higdon questioned the Long-Term receivables in the DDR report as well as if there are any allowances for bad debts. Mr. Al-Imam commented there are no allowances for any bad debts or allowances for doubtful accounts established. Diane Hadland, Successor Agency Financial Consultant, clarified that most of the loans are residual receipt loans, and if the projects are successful there may be monies received; however, it is not the same as a loan on a home were consistent money can be expected.

By Common Consent, there being no objection (Vice Chair Banner being absent and the Los Angeles County Sanitation District 5 appointee being a vacant), the Oversight Board scheduled a meeting on Thursday, November 15, 2012 at 6:30 p.m. to take action on the Due Diligence Review report.

Attachments: Staff Report

PUBLIC COMMENTS REGARDING OTHER MATTERS

There were none.

OVERSIGHT BOARD MEMBER REMARKS

There were none.

<u>ADJOURNMENT</u>

The meeting adjourned at 6:48 p.m. The next regular meeting is scheduled for November 15, 2012 at 6:30 p.m.