

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA BARBARA
OVERSIGHT BOARD MINUTES
Thursday, October 4, 2012 – 3:00 p.m. to 5:30
Marine Center Building, Waterfront Classroom
125 Harbor Way, Santa Barbara CA 93109**

MEMBERS:

 X **Brian Fahnestock, Chair**, California
Community Colleges

 X **Carolle Van Sande, Vice Chair**,
Member of Public

 X **Chandra Wallar**, County of Santa
Barbara

 X **Jim Armstrong**, City of Santa
Barbara

 X **Mark Manion**, Oversight Board
Counsel

 X **Renee Bahl**, Santa Barbara County
Flood Control and Water Conservation
District

 X **Meg Jetté**, Santa Barbara County
Education Office

 X **Liz Limón**, Former Agency
Employee Representative, City of Santa
Barbara

STAFF:

 X **Sarah Knecht**, Assistant City Attorney, City of Santa Barbara

Bob Samario, Finance Director, City of Santa Barbara

Brian J. Bosse, Waterfront Business Manager, City of Santa Barbara

ORDER OF BUSINESS

I. CALL TO ORDER Meeting called to order at 3 p.m.

II. CHANGES TO THE AGENDA: None

III. PUBLIC COMMENT None

IV. APPROVAL OF MINUTES

Minutes of August 20, 2012 Oversight Board Meeting

Motion and Passed: 4 Ayes, 3 Abstentions

V. CONSENT CALENDAR – No Items

VI. ITEMS SCHEDULED FOR ACTION/DISCUSSION

A. Receive an update on Assembly Bill 1484 Housing Provisions (Mark Manion)

Department of Finance has approved housing list that was sent on August 1st. Department of Finance reviews again after Oversight Board approval. Board reviews housing assets. OB could have a difference of opinion. Similar to Preliminary ROPS. Fahnestock: approval of Due Diligence and approve what DOF has approved. Knecht: Not much in actual housing funds, but the assets that include covenants and loan residuals. Due Diligence is regarding housing funds. There will be two

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resolutions. Due Diligence has to be to DOF by October 15th. Samario explained that all housing loans are not RDA funds.

Van Sande: funds have to be transferred by 15th. No, just the Due Diligence

Wallar: any new bills? Bosse; all 6 bills were vetoed.

B. Public Hearing and Review of Independent Due Diligence Review of the Low Moderate Income Housing Fund (LMIHF).

Samario: State Controller's Office set up procedures. To determine whether the monies City reported are accurate. Auditor did not find anything wrong. Schedule B10 shows unencumbered housing funds.

Fahnestock stated that the Auditor's approved a basic audit of the info given them. Should agree with financial statements. Isn't based on information that the Oversight Board was given to make their decisions.

Samario: Independent Auditor's letter goes to Successor Agency (City). Weren't just fed info. Went through financial statements. February 1, 2012. June 2011 transferred assets. O balances and then reversed at July 2011. Auditor recognized this reversal.

Wallar: Would like more detail before approves.

Manion: This is a review. Auditor can put in descriptions. Auditor should have been at meeting.

Fahnestock: Objects that Auditor didn't use the same statements. Bradley Studio loan was approved before June 30, 2011.

Public Comment:

County Auditor Bob Geis said that review would like the Due Diligence improved:

Successor Agency continued to do business. 2 Loans, operating revenue and expenses amounting to \$5.6 and that's why the \$8 million went down to \$3 million. Operating revenue (20% distribution of setaside) went to Successor Agency operating fund. Then went to housing fund later.

Assets in #2

Assets should be all asset at top, and bottom should say net cash assets.

This excludes any review of the 2 loans.

Heather Fletcher says their Auditor wrote a draft report. City of Santa Barbara's is the biggest auditor.

Bosse reiterated points for staff. Flush out the Due Diligence with explanations. Auditor will come to next week's meeting. Loan document for the 2 loans. Housing asset list has a line item for each housing loan. (This list will be emailed to Board Members.) Will incorporate Bob Geis's comments. Armstrong wants the Board to get a copy

III. ADJOURNMENT 4:00 pm

A. Future Meetings:

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- **October 11, 2012:** Approval of Audit for LMIHF (Due to State by October 15, 2012).
Time Available: 3-5:30.
Location: David Gebhard Public Meeting Room, 630 Garden Street.