

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA BARBARA
OVERSIGHT BOARD MINUTES
Thursday, October 11, 2012 – 3:00 p.m. to 5:30
David Gebhard Public Meeting Room
630 Garden Street**

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

 X **Bob Samario**, Finance Director, City of Santa Barbara

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

ORDER OF BUSINESS

I. CALL TO ORDER 3:05 p.m.

II. CHANGES TO THE AGENDA:

III. PUBLIC COMMENT None

IV. APPROVAL OF MINUTES

A. September 20, 2012 Oversight Board Meeting

Motion: Bahl, Jette. Approved with Wallar abstaining (absent).

V. CONSENT CALENDAR – No Items

VI. ITEMS SCHEDULED FOR ACTION/DISCUSSION

A. Update on Legislation regarding dissolution of Redevelopment Agencies;

B. Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Approving the Independent Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF); and

MINUTES
REGULAR OVERSIGHT BOARD MEETING
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Samarico: Explained that the auditor has updated the Due Diligence Review per the Board's request. Handed out further spreadsheets for explanation. Wants to show how it flows from last year's CAFR. Used a page from the CAFR showing Housing Funds. Shows that assets and liabilities were transferred out at the end of FY 2011 and to City and when transferred back \$53 + million (net value). July 1 through January 31, 2012 all activities are shown reinstated from City (the same amount is returned): revenues, expenditures, housing grant (approved back in March 16, 2011). Balance was \$2.9+ million. New loans between 7/1 to 1/31 don't show as expenditure, becomes a loans receivable. \$49.7 million in loans. All disbursed after July 1 but agreements were approved before that date.

Auditor: Rich Eguchi, also City's auditor. Final procedures were approved August 27th and due Oct 15th. Their firm has performed 45 since August. He was a part of the committee to set up procedures for reporting to DOF. Fahnestock asked if it was meant for Oversight Board review and understanding. He responded affirmatively. Not an audit but a list of agreed upon procedures. Attachment A is a narrative of what has to be done (procedures). Procedure 4 was his assignment: June 30, 2010, June 30, 2012 and so on. Analytical procedures to compare each period. Summarized the information. Mentioned that County Auditor corroborated. Second Report: Non-housing part is due December 15th. Traced general ledger to all ROPS. Attachment B10 is a reconciliation page. City's number was not much. \$2.9 million is a good number.

Fahnestock: Attachment A: Item 1 on page 2. \$52 million to City. Item 2 prior transfers \$88 million. Then \$52 million. So \$140 million transferred in all. Samarico: \$88 million in housing assets includes everything from inception of the Redevelopment Agency. \$64.8 million in loans, at Feb. 1, \$49 million. Attachment B2 shows \$88 million.

Fahnestock: Asked auditor if he saw any unusual items. Eguchi said saw nothing unusual. Was not an analytical test. Eguchi had recommended the transfers. Auditor said the review wasn't looking at this transfers.

Jetté: Is there any conflict of interest to have the review done by the City's auditor? Eguchi stated that he really didn't want to do it because he was so busy. But all of their clients wanted the same auditors. A procedural review. Manion: County Auditor approved of the auditor. County Auditor recommended it done by same company. No conflict of interest.

Wallar: Asking County Auditor if the update fulfills what he (County Auditor) wanted to see. County Auditor said it did. Summary of asset transfer because so many assets. Westmont housing is within the City: Armstrong.

Motion: Armstrong, Limón seconded. Unanimous approval. Adopted Resolution 006.

- C. Adopt A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara Directing the Successor Agency to Transfer and Assign the Housing Assets of the Former

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REGULAR OVERSIGHT BOARD MEETING
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Redevelopment Agency of the City of Santa Barbara to the City of Santa Barbara.

Bosse: Jan. 12, 2012, housing assets transferred. List of Housing Assets Transfer Form sent to DOF in August 2012.

Motion: Armstrong, Limón. Unanimous approval. Adopted Resolution 007.

VII. ADJOURNMENT – 4 p.m.

A. Future Meeting(s): No further meetings set.