

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA

SPECIAL MEETING AGENDA

October 3, 2012

2:00 PM

County Government Center
Hall of Administration
County Executive Office
Large Conference Room – 4th Floor
800 S. Victoria Avenue
Ventura, California 93009

MEMBERS OF THE BOARD

BILL BARTELS, CHAIR
PAULA DRISCOLL,
VICE CHAIR
MATT CARROLL
TOM CASPER
DAVID KEEBLER
CHRISTY MADDEN

Persons who require accommodation for any audio, visual or other disability in order to review an agenda, or to participate in a meeting of the Oversight Board per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to the County Executive Office, 800 South Victoria Avenue, Loc. #1940, Ventura, CA 93009 or telephonically by calling (805) 477-1994. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

All agenda reports and supporting data, including those filed in accordance with Government Code Section 54957.5 (b) (1) and (2) are available from the County Executive Office, Ventura County Government Center, Hall of Administration, 4th Floor, 800 South Victoria Avenue, Ventura, California. The same materials will be available and attached with each associated agenda item, when received, at the following website: www.countyofventura.org/ceo/divisions/communitydevelopment/RDA.

Welcome to the Meeting of the Oversight Board to the Successor Agency to the Former Redevelopment Agency of the County of Ventura.

The following information is provided to help you understand, follow, and participate in the Board meeting:

Pursuant to California Government Code Section 54953 (a) et al., time is set aside for citizen presentations regarding Oversight Board related matters. Those wishing to speak must fill out a speaker card and submit it to the Secretary. Speaker cards for issues not on the agenda must be submitted to the Secretary prior to the beginning of the public comment period. Agendized item, speaker cards must also be submitted before the item is taken up for consideration. The Secretary may not

accept any additional speaker cards once an item commences.

Members of the public making oral presentations to the Board in connection with one or more agenda or non-agenda items at a single meeting are limited to a cumulative total of time not to exceed five (5) minutes for all of their oral presentations at such meeting unless otherwise provided. The entire public comment period is limited to no more than thirty (30) minutes total for all speakers.

Members of the public who desire to augment their comments with visual or audio presentations using County equipment must submit their materials to the County Executive Office and the Chair for review before use of County equipment will be allowed. The review will be conducted to determine only whether the materials are on matters within the jurisdiction of the Board, would be disruptive of the meeting, or would foster illegality, such as identity theft. If it is determined the materials are about matters not within the Board's jurisdiction, or would be disruptive of the meeting, or would foster illegality, use of County equipment will not be allowed.

OPENING

1. Call to Order.
2. Roll Call.
3. Pledge of Allegiance to the Flag of the United States of America.
4. Public Comments – Citizen presentations regarding Board related matters NOT appearing on this agenda. (See Guidelines above)
5. **Public Hearing and 5 Day Public Comment Session Regarding the Adoption of Resolution No. 12-12 and Approval of the First Required Due Diligence Review of Housing Assets as Required by Health and Safety Code Sections 34179.5 and 34179.6, and to Present Such Items for Approval at the Oversight Board Meeting on October 12, 2012.**

Consider for Review the Adoption of Resolution No. 12-12 and Approval of the First Required Due Diligence Review of Housing Assets as Required by Health and Safety Code Sections 34179.5 and 34179.6, and to Present and Seek Oversight Board Approval of Resolution No. 12-12 and the Due Diligence Review at the Oversight Board Meeting on October 12, 2012.

Staff Recommends: Open the Public Hearing for the Review of the Adoption of Resolution No. 12-12 and Approval of the Due Diligence Review and Continue the Public Review Session to the October 12, 2012 Oversight Board Meeting for Consideration of the Adoption of Resolution No. 12-12 and Approval of the Due Diligence Review.

6. Announcements and Future Agenda Items

A. Announcements

B. Future Agenda Items

Next Regular Oversight Board meeting is scheduled for October 12, 2012 at 3:00 p.m.

Adjournment:

**OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA
AGENDA REPORT**

DATE: **October 3, 2012**

TO: Oversight Board to Successor Agency

FROM: Donna Plummer, CEO Management Analyst

SUBJECT: **Adoption of Resolution No. 12-12 and Approval of the First Required Due Diligence Review of Housing Assets as Required by Health and Safety Code Sections 34179.5 and 34179.6, to Conduct a 5 Day Public Comment Session and to Present Such Items for Approval at the Oversight Board Meeting on October 12, 2012.**

RECOMMENDATION:

It is recommended that your Board:

1. Open a public hearing, permitting all persons who wish to be heard to speak on the issue of Adopting Resolution No. 12-12, attached as Exhibit A, and approving the First Required Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF), attached as Exhibit B.
2. Continue the public comment session for a minimum of 5 days before the Oversight Board votes to approve the First Required Due Diligence Review of LMIHF as required by Health and Safety Code Sections 34179.6(b).
3. Direct the Successor Agency to present to the Oversight Board, for adoption and approval, Resolution No. 12-12 and the First Required Due Diligence Review of LMIHF assets at the October 12, 2012 Oversight Board meeting.

FISCAL IMPACT:

The estimate for the services provided by Vavrinek, Trine, Day & Company (VTD) for the Due Diligence Review of the LMIHF due in October is between \$6,000 to \$10,000. \$10,000 for the entire Due Diligence Review was approved on the January-June 2013 ROPS. Another Due Diligence Review is due on December 15, 2012 for all other fund and account balances of the dissolved RDA. Staff will provide a revised ROPS for the

January-June 2013 period reflecting the new estimate for the additional work required in November and December 2012 at a subsequent meeting of your Board.

DISCUSSION:

Pursuant to Health and Safety Code Section 34179.5(a), "each successor agency shall 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."

Health and Safety Code Section 34179.6 establishes the following additional requirements:

1. The Due Diligence Review of the LMIHF had to be submitted by the licensed accountant to the Oversight Board, the County Auditor-Controller's Office and the Department of Finance by October 1, 2012. Therefore, staff, with the Auditor Controller's approval, approved the selection of VTD to begin the review process.
2. Upon receipt of the LMIHF review, the oversight board has to convene a public comment session at least five business days before it votes to approve the review. That is the reason for today's meeting.
3. In addition to public comments, if any, your Board also has to consider any opinions offered by the County's Auditor-Controller on the results of this review.
4. Finally, your Board has to approve the LMIHF by October 15, 2012. (For all other funds and accounts, the oversight board has to review, approve, and transmit the review establishing the amount of cash and cash equivalents that are available for disbursement to taxing entities by January 15, 2013.)

Therefore, staff will bring to your Board at its regular meeting on October 12, 2012, at 3:00 p.m., an agenized item recommending approval of the LMIFH Due Diligence Review and will provide direction on transmitting that review to all required agencies. This schedule will enable staff to meet the statutory requirement of providing the final LMIHF Due Diligence Review to the Department of Finance by its October 15, 2012 deadline. Your meeting today satisfies the statute's requirement for holding a public session five days before the approval vote.

At your September 14, 2012 Oversight Board meeting, your Board adopted Resolution No. 12-10 authorizing and ratifying the Successor Agency's decision to enter into an agreement with Vavrinek, Trine, Day & Company (VTD) to conduct the Due Diligence Review for the Housing Assets and to present for comment and seek your Board's review and approval at your October 5 (rescheduled to October 3) and 12, 2012 Oversight Board meetings.

Oversight Board
October 5, 2012
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VTD completed the Due Diligence Review for the Housing Assets before October 1, 2012, and a copy is attached as Exhibit B for your review.

Exhibit A – Resolution No. 12-12
Exhibit B – Due Diligence Review of Housing Assets

RESOLUTION NO. 12-12

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO
THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF VENTURA, STATE OF CALIFORNIA,
APPROVING THE STATUTORILY REQUIRED DUE DILIGENCE REVIEW OF HOUSING ASSETS**

The Oversight Board for the Successor Agency to The Former Redevelopment Agency of the County of Ventura does resolve as follows:

WHEREAS, Assembly Bill x1 26 ("ABx1 26") was passed by the State Legislature on June 15, 2011, signed by the Governor on June 28, 2011, and upheld by the Supreme Court of California on December 29, 2011; and

WHEREAS, among other things, ABx1 26 added Part 1.85 of Division 24 to the California Health and Safety Code; and

WHEREAS, by enactment of Part 1.85 of Division 24 of the Health and Safety Code and the decision of the Supreme Court, The Redevelopment Agency of the County of Ventura was dissolved as of February 1, 2012, such that the County of Ventura was designated the Successor Agency to The Redevelopment Agency of the County of Ventura ("Successor Agency"); and

WHEREAS, Assembly Bill 1484 ("AB 1484") was passed by the State Legislature and signed by the Governor effective June 27, 2012; and

WHEREAS, among other things, AB 1484 adds sections 34179.5 and 34179.6 to the California Health and Safety Code; and

WHEREAS, pursuant to subdivision (a) of Health and Safety Code Section 34179.5, each successor agency shall employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct due diligence reviews to determine the unobligated balances available for transfer to taxing entities and, pursuant to Health and Safety Code Section 34179.6, submit such reviews to the oversight board for review and approval; and

WHEREAS, the successor agency employed the licensed accountant to conduct the required due diligence reviews pursuant to Health and Safety Code Sections 34179.5(a) and 34179.6 and the licensed accountant completed the first such review, which is attached as Exhibit B.

NOW, THEREFORE BE IT FOUND AND RESOLVED AS FOLLOWS:

1. The above recitations are true and correct.
2. The Oversight Board hereby adopts Resolution 12-12, approves, Exhibit B (the Due Diligence Review of Housing Assets), and authorizes and directs the Successor Agency to take any and all actions required to submit the required due diligence review to the Department of Finance and the Auditor Controller.

PASSED, APPROVED, AND ADOPTED by the Oversight Board, on a motion by Board Member _____, seconded by Member _____, this _____ day of _____ 2012.

By: _____
Chair
Oversight Board

ATTEST:

By: _____
Successor Agency Secretary

**County of Ventura
Redevelopment Successor Agency**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures pursuant to
AB 1484 (Low and Moderate Income Housing Fund)**

June 30, 2012



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Oversight Board of the
County of Ventura Redevelopment Successor Agency
Ventura, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, and the County of Ventura Redevelopment Successor Agency (Successor Agency) to determine the Successor Agency's Low and Moderate Income Housing Fund's unobligated balances that are available for transfer to taxing entities, solely to assist you in ensuring that the Successor Agency is complying with its statutory requirements with respect to *Health and Safety Code* Section 34179.5. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to *Health and Safety Code* Section 34179.5. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Exhibit A and Exhibits B through B-1 identify the procedures and findings.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Exhibit A and Exhibits B through B-1. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency, the California State Controller's Office, the California Department of Finance, and the County Auditor-Controller, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California,
September 21, 2012

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

Our findings and procedures are as follows:

A. Low and Moderate Income Housing Fund of the Successor Agency

For the Low and Moderate Income Housing Fund, the following procedures were performed:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Findings – We noted that all assets of the former redevelopment (RDA) Low and Moderate Income Housing Fund were transferred to the County. Accordingly, no amounts were transferred to the Successor Agency.

We noted that the former redevelopment agency (RDA) transferred all assets, totaling \$981,358.42, from the RDA Low and Moderate Income Housing Fund to Fund 1105 - Co Successor Housing Agency AB X126" (Housing Fund) on February 1, 2012. We agreed the amounts on this listing to account balances established in the accounting records of the County noting the total balance of all assets that were transferred on February 1, 2012 consisted of cash in treasury, accounts receivable, and long term receivables.

We noted the housing activities and assets (assets and functions, rights, powers, duties, and obligations) of the former RDA were transferred to the County of Ventura on January 24, 2012. We obtained Resolution No. 249-1 authorizing the County to maintain the housing assets and functions of the former RDA. We noted the assets transferred were those in Fund 1105, as described above.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures.
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

Findings – The County asserted the State Controller's Office has not completed a review of transfers required under both *Health and Safety Code* (HSC) Sections 34167.5 and 34178.8. The Successor Agency also asserts no transfers were made from the former RDA or the Successor Agency to the County for the period from January 1, 2011 through January 31, 2012.

On February 1, 2012, the former RDA transferred all Low and Moderate Income Housing assets to the County of Ventura in accordance with HSC Section 34176 (a)(1) and Resolution 249-1. A listing of the transfers for the period February 1, 2012 and June 30, 2012, is included as Exhibit B of the AUP report.

For each transfer listed on Exhibit B, we obtained the legal document that formed the basis for the enforceable obligation that required the transfer. On February 1, 2012, we noted the County transferred cash in treasury totaling \$249,716.37 and interest receivable of \$634.12 from the former RDA to the County Housing Fund. We noted this transfer was supported only by Resolution 249.1 and did not reference an enforceable obligation or language that required a transfer.. As a result, this transfer balance has been added to the Summary of Balances Available for Allocation to Affected Taxing Entities at Exhibit B-1.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings – The County asserted the State Controller's Office has not completed a review of transfers required under both HSC Sections 34167.5 and 34178.8. The Successor Agency also asserts no transfers were made from the former RDA or the Successor Agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012, and the period February 1, 2012 through June 30, 2012, respectively, except for 11 rehabilitation loans, issued between January 5, 2011 and August 4, 2011, which were subsequently transferred to the County on February 1, 2012 as described in Procedure No. 2 above. We noted the 11 rehabilitation loans were included on the Housing Asset Inventory submitted to the State Department of Finance in accordance with HSC Section 34176(a)(2).

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010, to the State Controller's Report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Findings – Procedure 4 is not applicable to the Low and Moderate Income Housing Fund.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Findings – As further described in Procedure No. 1, the former RDA transferred the assets to the County Housing Fund. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund. As described in Procedure No. 2, cash and cash equivalents totaling \$250,350.49 have been added to the Summary of Balances Available for Allocation to Affected Taxing Entities at Exhibit B-1. Interest earned as of June 30, 2012 in the amount of \$693.11 has also been added to the Summary of Balances Available for Allocation to Affected Taxing Entities at Exhibit B-1.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012, that are restricted for the following purposes:
- A. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- B. Grant proceeds and program income that are restricted by third parties:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- C. Other assets considered to be legally restricted:
- i. The Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such Obtain documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings – As further described in Procedure No. 5, the former RDA transferred the assets to the County Housing Fund. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund. As such, this procedure was not performed.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012, that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings – As further described in Procedure No. 5, the former RDA transferred the assets to the County Housing Fund. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund. As such, this procedure was not performed.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
 - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
 - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

- a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
 - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
 - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Findings – As further described in Procedure No. 1, the former RDA transferred the assets to the County Housing Fund. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund. Also, as described in Procedure No. 2, it was noted that cash in treasury and accounts receivable totaling \$250,350.49 have been added to the Summary of Balances Available for Allocation to Affected Taxing Entities at Exhibit B-1.

The Successor Agency asserted that asset balances, as adjusted on the Summary of Balances Available for Allocation to Affected Taxing Entities at Exhibit B-1, as of June 30, 2012, do not need to be retained to satisfy enforceable obligations of the Low and Moderate Income Housing Fund. We noted the asset balance, as adjusted, of the Low and Moderate Income Housing Fund as of June 30, 2012, was \$250,350.49. As such, this procedure was not performed.

EXHIBIT A

COUNTY OF VENTURA REDEVELOPMENT SUCCESSOR AGENCY AGREED UPON PROCEDURES PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND

9. If the Successor Agency believes that cash balances as of June 30, 2012, need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012, and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation, and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings – The Successor Agency asserts that cash balances as of June 30, 2012, do not need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013, of the Low and Moderate Income Housing Fund. We noted the asset balance of the Low and Moderate Income Housing Fund as of June 30, 2012, as adjusted, was \$250,350.49. As such, the procedures noted above were not performed.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012, as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Findings – We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. See Exhibit B-1.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Findings – The Successor Agency provided a management representation letter. No exceptions were noted.

County of Ventura Redevelopment Successor Agency
Low and Moderate Income Housing Fund
Schedule of Asset Transfers to the City, County, or City and County, and Other Public Agencies or Private Parties

Exhibit B

DATE OF TRANSFER	DESCRIPTION OF ASSETS	RECIPIENT	\$ VALUE OF ASSETS TRANSFERRED	\$ VALUE OF ASSETS NOT SUPPORTED	PURPOSE OF TRANSFER	SOURCE DOC BASIS FOR TRANSFER
<i>Period of Jan 1, 2011 through Jan 31, 2012</i>						
1/1/2012	None reported					
<i>Period of Feb 1, 2011 through June 30, 2012</i>						
2/1/2012	Cash in county treasury	County of Ventura - Fund 1105 \$ Co Successor Housing Ag	249,716.37	\$ 249,716.37	No purpose specified	Resolution 249.1
	Interest receivable	County of Ventura - Fund 1105 Co Successor Housing Ag	634.12	634.12	No purpose specified	Resolution 249.1
	Long term receivables	County of Ventura - Fund 1105 Co Successor Housing Ag	731,007.93		Transferred in accordance with 34176(a)(1)	Resolution 249.1 referencing 34176(a) - The loans state that they are subject to Federal Community Development Block requirements
TOTAL			<u>\$ 981,358.42</u>	<u>\$ 250,350.49</u>		

**County of Ventura Redevelopment Successor Agency
Low and Moderate Income Housing Fund
Summary of Balances Available for Allocation to Affected Taxing Entities**

Exhibit B-1

Total amount of assets held by the Successor Agency as of June 30, 2012 (procedure 5)	\$	693.11
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		250,350.49
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		-
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		-
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year (procedure 9)		-
Less the amount of payments made on July 12, 2012, to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	\$	<u>251,043.60</u>