

RESOLUTION NO. OB-7.1

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY APPROVING THE REVISED DUE DILIGENCE REVIEW OF THE LOW AND MODERATE INCOME HOUSING FUND CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5 AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Scotts Valley Redevelopment Agency transferred to the control of the Successor Agency of the Scotts Valley Redevelopment Agency (the "Successor Agency") by operation of law.

B. Health and Safety Code Section 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

C. Health and Safety Code Section 34179.6 requires the Successor Agency to submit the results of the review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (the "LMIHF") and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Due Diligence Review") to the Successor Agency's Oversight Board (the "Oversight Board") for the Oversight Board's review and approval.

D. Pursuant to Health and Safety Code Sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the Due Diligence Review and a copy of the Recognized Obligation Payment Schedule ("ROPS").

E. Pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Due Diligence Review, and at least five business days before the Oversight Board considers the approval of the Due Diligence Review, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the results of the Due Diligence Review.

F. On September 26, 2012, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6 (b) and approved the Due Diligence Review on October 10, 2012.

G. On January 3, 2013, it was determined that \$2,876.11 of interest income had not been included in the report.

H. The licensed accountant has prepared a revised LMIHF Due Diligence Review Report dated January 8, 2013, which incorporates the revision above.

I. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board desires to approve the revised LMIHF Due Diligence Review.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34179.6(c).

Section 3. The Oversight Board hereby approves the Due Diligence Review as presented and on file with the Secretary.

Section 4. The staff of the Successor Agency is hereby directed to transmit to DOF and the county auditor-controller written notice and information regarding the actions taken by this Resolution and specifically the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Health and Safety Code Section 34179.5. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

Section 5. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

PASSED AND ADOPTED this 15th day of January, 2013.

AYES: BUSTICHI, CABIGAS, DILLES, KATES, ZIEL

NOES: NONE

ABSTAIN: NONE

ABSENT: CLARK, MCPHERSON



Dene Bustichi, Chair

ATTEST:



Tracy A. Ferrara, Secretary