



GUADALUPE OVERSIGHT BOARD – FORMER CITY OF GUADALUPE
COMMUNITY REDEVELOPMENT AGENCY

AGENDA – SPECIAL BOARD MEETING

Thursday, January 31, 2013
3:00 p.m.

Guadalupe City Hall Council Chambers
918 Obispo Street, Guadalupe, CA 93434 (805/356-3891)

MEMBERS:

Chandra Wallar
Frances A. Romero
William Gerald Tucker
Carolyn Galloway-Cooper, Secretary
Elizabeth Miller
Hugo Lara

STAFF:

Rob Schultz, Legal Counsel
Tim Ness

1. **ROLL CALL.** Chandra Wallar, Frances A. Romero, William Gerald Tucker, Carolyn Galloway-Cooper, Elizabeth Miller, and Hugo Lara.
2. **PLEDGE OF ALLEGIANCE.**
3. **COMMUNITY PARTICIPATION FORUM.** – *Public Comment period is set aside to allow public testimony on items not on today's agenda and that is within the subject matter of the Oversight Board. The time allocated to each speaker will be set at the discretion of the Chair. Total time allocated for public comment is 3 minutes.*
4. **ADMINISTRATIVE ACTIONS.**
 - a. Approve Minutes from January 9, 2013 Oversight Board Meeting.
5. **CITY OF GUADALUPE SUCCESSOR AGENCY FOR THE DISSOLVED GUADALUPE REDEVELOPMENT AGENCY DUE DILIGENCE REVIEW – AGREED UPON PROCEDURES (AUP) REPORT FOR ALL FUNDS OF THE SUCCESSOR AGENCY EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND (LMIHF).**
 - a. Written Staff Report (Carolyn Galloway-Cooper)
 - b. Oversight Board discussion and consideration.
 - c. It is recommended that the Oversight Board approve the Due Diligence Review (DDR) – AUP Report and adopt OB Resolution 2013-01.

6. **CONSIDERATION OF OB RESOLUTION NO. 2013-02 ESTABLISHING THE DATE, TIME AND LOCATION FOR OVERSIGHT BOARD MEETINGS.**

- a. Written Staff Report (Robert Schultz)
- b. Oversight Board discussion and consideration.
- c. It is recommended that the Oversight Board adopt OB Resolution No. 2013-02 establishing the date, time and location for meetings of the Oversight Board.

7. **CONSIDERATION OF OB RESOLUTION NO. 2013-03 ADOPTING RULES AND PROCEDURES AND OB RESOLUTION NO. 2013-04 ADOPTING BYLAWS OF THE OVERSIGHT BOARD.**

- a. Written Staff Report (Robert Schultz)
- b. Oversight Board discussion and consideration.
- c. It is recommended that the Oversight Board adopt OB Resolution No. 2013-03 and OB Resolution No. 2013-04 adopting 1) Rules and Procedures; and 2) Bylaws for the Oversight Board.

8. **FUTURE AGENDA ITEMS.**

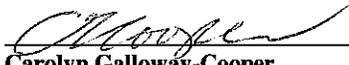
9. **ADJOURNMENT.**

TELECONFERENCE LOCATIONS

County of Santa Barbara, 105 East Anapamu, Santa Barbara, CA 93101 (805) 568-3400

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the City of Guadalupe at (805) 356-3891 at least 48 hours prior to the meeting to insure that reasonable arrangements can be made to provide accessibility to the meeting.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the City Hall display case, the Water Department, the City Clerk's office and Rabobank not less than 24 hours prior to the meeting. Dated this 28th day of January 2013.



Carolyn Galloway-Cooper
Finance Director
City of Guadalupe

4a.

GUADALUPE OVERSIGHT BOARD – FORMER CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

MINUTES – SPECIAL BOARD MEETING

**Wednesday, January 9, 2013
2:30 p.m.**

**Guadalupe City Hall Council Chambers
918 Obispo Street, Guadalupe, CA 93434 (805/356-3891)**

Meeting call to order at 2:33 p.m.

- 1. **ROLL CALL.** Chandra Wallar, Frances A. Romero, William Gerald Tucker, Carolyn Galloway-Cooper, Elizabeth Miller and Hugo Lara.

Chandra Wallar, via telephone call.

- 2. **PLEDGE OF ALLEGIANCE.**

- 3. **COMMUNITY PARTICIPATION FORUM.**

None

- 4. **ADMINISTRATIVE ACTIONS.**

- a. Approve Minutes from November 8, 2013 Oversight Board Meeting.

MOTION TO APPROVE ITEM MINUTES FORM NOVEMBER 8, 2013: COOPER/LARA

AYES: 4 WALLAR, COOPER, MILLER, LARA

ABSTAIN: 2 TUCKER/ROMERO

- b. Election of Chair and Vice Chair.

Hugo Lara was nominated by Carolyn Cooper as Chair, Elizabeth Miller seconded.

AYES: 6 WALLAR, ROMERO, TUCKER, COOPER, MILLER, LARA

NOES: 0

Elizabeth Miller was nominated by Hugo Lara as Vice Chair, William Tucker seconded.

AYES: 6 WALLAR, ROMERO, TUCKER, COOPER, MILLER, LARA

NOES: 0

- 5. **CITY OF GUADALUPE SUCCESSOR AGENCY FOR THE DISSOLVED GUADALUPE COMMUNITY REDEVELOPMENT AGENCY DUE DILIGENCE REVIEW – AGREED UPON PROCEDURES (AUP) REPORT FOR ALL FUNDS OF THE SUCCESSOR AGENCY EXCLUDING THE LOW AND MODERATE INCOME HOUSING FUND.**

- a. Written Staff Report (Carolyn Galloway-Cooper)
- b. Oversight Board discussion and consideration.
- c. It is recommended that the Oversight Board receive the Due Diligence Review (DDR) AUP Report and schedule a public session at least five business days from today to approve the report.

Carolyn Galloway-Cooper presented the staff report to the Oversight Board. No action needed be taken. The Oversight Board is to hold a public comment session five (5) days prior to the approval. A letter of public comments on the Guadalupe Successor Agency Non Housing Funds Due Diligence Review Report was received via e-mail from the Santa Barbara County Auditor –Controller.

Carolyn Galloway-Cooper and Heather Fletcher from the County Auditor Controller will be having a meeting on January 16th to review all questions and comments on the Due Diligence Review - Agreed Upon Procedures (AUP) report.

MOTION TO APPROVE THE DUE DILIGENCE REVIEW REPORT: LARA/ TUCKER
AYES: 6 Wallar, Romero, Tucker, Cooper, Miller, Lara

The next meeting of the Oversight Board will be Thursday, January 31, 2013 at 3:00 p.m. in the City Council Chambers.

9. FUTURE AGENDA ITEMS.

10. ADJOURNMENT. at 3:02 p.m.

The meeting was adjourned at 3:02

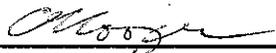
MOTION: LARA/COOPER

AYES: 6 Wallar, Romero, Tucker, Cooper, Miller, Lara

Carolyn Galloway-Cooper, Secretary

Hugo Lara, Chairman

**REPORT TO THE GUADALUPE OVERSIGHT BOARD OF THE SUCCESSOR ENTITY TO THE
GUADALUPE REDEVELOPMENT AGENCY
Agenda of January 31, 2013**



Prepared by:
Carolyn Galloway-Cooper
City of Guadalupe - Finance Director

SUBJECT:

City of Guadalupe Successor Agency for the Dissolved Guadalupe Redevelopment Agency Due Diligence Review - Agreed Upon Procedures (AUP) Report for all funds of the Successor Agency excluding the Low and Moderate Income Housing Fund (LMIHF).

RECOMMENDATION:

Staff recommends the Oversight Board approve the Due Diligence Review (DDR) - AUP Report and adopt Resolution No. 2013-01.

BACKGROUND:

Health and Safety Code Section 34179.5 requires each Successor Agency to 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. The California State Controller's Office and California Department of Finance (DOF) set forth Agreed Upon Procedures to be performed on the accounting records of all funds of the dissolved Guadalupe Community Redevelopment Agency. The purpose of the review is to determine the unobligated balances available for disbursement to taxing entities. The accounting firm of Glenn Burdette was approved by the County Auditor-Controller to perform the Due Diligence Review.

The Oversight Board received the DDR – AUP Report on January 9, 2013. Staff met with the Santa Barbara County Auditor-Controller on January 16, 2013 regarding their letter submitted to the Oversight Board dated January 9, 2013. Based on this meeting the DDR – AUP report was revised.

The Oversight Board will approve and transmit to the DOF and Santa Barbara County Auditor-Controller the final determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities. The DOF review of the final determination will be completed no later than April 1, 2013. Any decision on the determination will be conveyed to the Oversight Board and Successor Agency via a letter. Successor Agencies have five days from receipt of the letter to request a "meet and confer".

AGENDA ITEM NO.

FISCAL IMPACT:

The cost to the Successor Agency will depend on the final determination of the dollar value of cash and cash equivalents to be disbursed to taxing entities.

Attachment: DDR – AUP Report (Excluding LMIHF)

RESOLUTION OB NO. 2013-01

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF
GUADALUPE TAKING SPECIFIED ACTIONS WITH RESPECT TO
THE DUE DILIGENCE REVIEW FOR OTHER FUNDS PURSUANT TO
HEALTH AND SAFETY CODE SECTIONS 34179.5 AND 34179.6**

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Guadalupe (the "City Council") declared that the City of Guadalupe, (the "City") would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Guadalupe (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5 (as added by AB 1484) the Successor Agency is required to employ a licensed accountant, approved by the County Auditor- Controller for the County of Santa Barbara (the "Auditor-Controller"), to conduct a due diligence review to determine the unobligated balances of the Non-Housing Funds from the Dissolved RDA's funds and accounts (exclusive of the Low and Moderate Income Housing Fund) held by the Successor Agency available for transfer to taxing entities as required under AB 1484 and the Dissolution Act; and

WHEREAS, the Successor Agency hired an accountant, approved by the Auditor- Controller, to prepare the due diligence review for the Non-Housing Fund (the "Non-Housing Fund Due Diligence Review") in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, under the Dissolution Act, the Non-Housing Fund Due Diligence Review has been submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval and, in accordance with Health and Safety Code Section 34179.6, the State Controller (the "Controller") and the State Department of Finance (the "DOF"), to the Santa Barbara County Administrative Officer (the "County Administrator"), and Auditor-Controller, along with copies of the Successor Agency's recognized obligation payment schedules for the Fiscal Year 2012-13, as approved by the Oversight Board (the "FY 2012-13 ROPS's"); and

WHEREAS, the accompanying Non-Housing Fund Due Diligence Review (Exhibit A) provides supporting information upon which the actions set forth in this Resolution are based.

WHEREAS, 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 comments 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 and at which time the Oversight Board considers the opinion, if any, offered by the county auditor-controller on the results of the Due Diligence Review.

WHEREAS, On January 9, 2013, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6(b).

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Non-Housing Fund Due Diligence Review; (2) the FY 2012-13 ROPS's; (3) information provided by the Successor Agency staff; (4) information provided by the public at the public comment session held by the Oversight Board on January 9, 2013 as required under Health and Safety Code Section 34179.6(b).

BE IT FURTHER RESOLVED that in accordance with the Dissolution Act and AB 1484, the Oversight Board hereby approves the Non-Housing Fund Due Diligence Review in the form on file with the Oversight Board's designated communication official.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Non-Housing Fund Due Diligence Review and to take any other actions necessary to ensure the validity of the Non-Housing Fund Due Diligence. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds identified by the DOF as eligible to be retained.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

Adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency at a regular meeting held on January 31, 2013 by the following vote:

PASSED, APPROVED, AND ADOPTED by the Oversight Board, on a motion by Board Member _____, seconded by Member _____, this 31st day of January 2013.

By: _____
Hugo Lara, Chair

ATTEST: Oversight Board

By: _____
Carolyn Galloway- Cooper Secretary

**City of Guadalupe,
Successor Agency for
the Dissolved Guadalupe Community Redevelopment Agency**

Agreed-Upon Procedures

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures**

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**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Guadalupe, California

We have performed the procedures enumerated in Exhibit A for the City of Guadalupe (Successor Agency), Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency for the periods specified in the agreed-upon procedures. This engagement is solely to assist you in evaluating whether the City of Guadalupe, as the Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency, is in compliance with Sections 34179.5(c)(1) through 34179.5(c)(6) of the California Health and Safety Code for the funds and periods specified in Exhibit A, and agreed to by California's State Controller Office and Department of Finance. Management of the City of Guadalupe is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Sections 34179.5(c)(1) through 34179.5(c)(6). 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Exhibit A either for the purpose for which this report has been requested or for any other purpose.

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 Exhibits B through J. 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.

The report is intended solely for the information and use of the City of Guadalupe, the Oversight Board to the Successor Agency, the California State Controller's Office, and the California Department of Finance, and is not intended to be and should not be used by anyone other than these specified parties.

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California

January 4, 2013

3

SAN LUIS OBISPO
1150 Palm Street
San Luis Obispo, CA 93401
p 805 544 1441
f 805 544 4351

PASO ROBLES
102 South Vine Street, Ste. A
Paso Robles, CA 93446
p 805 237 3995
f 805 239 9332

SANTA MARIA
2222 South Broadway, Ste. A
Santa Maria, CA 93454
p 805 922 4010
f 805 922 4286

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures**

Exhibit A – Procedures

The following are the procedures set forth by the California State Controller's Office and California Department of Finance as the Agreed-Upon Procedures that the City of Guadalupe, as Successor Agency, has specified to be performed on the accounting records of the Dissolved Guadalupe Community Redevelopment Agency. All procedures associated with Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179(c)(6) are applied to all funds of the Successor Agency combined, excluding the Low and Moderate Income Housing Fund. The procedure required by Section 34179.5(c)(4) pertains to the Successor Agency as a whole, and will include all funds.

List of Procedures

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Suggested Procedure(s):

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.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

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,

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures
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Exhibit A – Procedures (Continued)

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.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Suggested Procedure(s):

- 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.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
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Exhibit A – Procedures (Continued)

Suggested Procedure(s):

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.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012.

Suggested Procedure(s):

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.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
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Exhibit A – Procedures (Continued)

Suggested Procedure(s):

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.).
 - 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. 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 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.

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
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Exhibit A – Procedures (Continued)

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Suggested Procedure(s):

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.
 - 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.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Exhibit A – Procedures (Continued)

Suggested Procedure(s):

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:

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.

- i. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - 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.
- ii. 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.

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures
Page 7**

Exhibit A – Procedures (Continued)

- 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.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Suggested Procedure(s):

- 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.

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
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Page 8**

Exhibit A – Procedures (Continued)

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Suggested Procedure(s):

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).

Suggested Procedure(s):

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.

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures
Exhibit B – Results**

As required in the procedures outlined in Exhibit A, all procedures associated with Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179(c)(6) are applied to all funds of the Successor Agency combined, excluding the Low and Moderate Income Housing Fund. The procedure required by Section 34179.5(c)(4) pertains to the Successor Agency as a whole, and will include all funds.

1. We examined all transfers from the Dissolved Guadalupe Community Redevelopment Agency to the Successor Agency, noting that none occurred on February 1, 2012 in the other funds of the Dissolved Guadalupe Community Redevelopment Agency.
2. We inquired of the Successor Agency, and noted there were no transfers that required a reporting review by the State Controller's Office under both sections 34167.5 and 34178.8. As a result, we performed the following in relation to this procedure:
 - A. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency for the period of January 1, 2011 to January 31, 2012. This listing is attached as Exhibit C.
 - B. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency for the period of February 1, 2012 to June 30, 2012. This listing is attached as Exhibit C.
 - C. For each transfer listed in Exhibit C, we obtained the legal document that formed the basis for the enforceable obligation that required the transfer.
3. We inquired of the Successor Agency, and noted there were no transfers made from the other funds of the Dissolved Guadalupe Community Redevelopment Agency to any outside agency or private parties for the period of January 1, 2011 to June 30, 2012.
4. We obtained from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency, attached as Exhibit D. Health and Safety Code Section 34179.5(c)(4) applies to the Dissolved Guadalupe Community Redevelopment Agency as a whole; therefore, this procedure also includes the Low and Moderate Income Housing Fund. We ascertained that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous period. We compared 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. We compared amounts in the Exhibit for the other fiscal periods presented to balances in the accounting records of the Successor Agency.
5. We obtained from the Successor Agency a listing of all assets of all other funds as of June 30, 2012, and attached as Exhibit E. We noted that the listing included all other funds of the Successor Agency as of June 30, 2012, and excluded all assets held by the Successor Agency Low and Moderate Income Housing Fund that was previously reported. We agreed the assets in Exhibit E to the other fund's accounting records maintained by the Successor Agency.

City of Guadalupe,

Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency

Agreed-Upon Procedures

Page 2

Exhibit B – Results (Continued)

6. We obtained from the Successor Agency a listing of all other fund asset balances held on June 30, 2012, attached as Exhibit F, that are restricted for the following purposes:
 - A. Exhibit F includes the Successor Agency's computation of the restricted balances. We traced the components of this computation to the related account balances in the accounting records.
 - B. There are no grant proceeds and program income that are restricted by third parties, so this step is not applicable.
 - C. There are no other assets considered to be legally restricted, so this step is not applicable.
 - D. Exhibit F is attached to this report. For each restriction identified in step 6(A), we noted the restrictions are in effect until the related assets are expended for their intended purpose.

7. We obtained from the Successor Agency a listing of all assets that are not liquid or otherwise available for distribution as of June 30, 2012, and attached as Exhibit G. We noted that the listing included only those assets of all other funds, excluding the Low and Moderate Income Housing Fund, which were held by the Successor Agency as of June 30, 2012. We performed the following:
 - A. We ascertained that the values in Exhibit G are listed at book value and are reflected in the accounting records of the Successor Agency.
 - B. For the assets listed in step 7(A), we traced the amounts to the previously audited financial statements and noted the differences in Exhibit G.
 - C. For the differences noted in step 7(B), we have inspected the accounting records, loan agreements and Recognized Obligations Payment Schedule.
 - D. This step is not applicable.

8. A. We inquired of the Successor Agency and noted that they believe that asset balances need to be retained and restricted to satisfy enforceable obligations for all other funds. We obtained an itemized schedule of asset balances for all other funds, excluding the Low and Moderate Income Housing Fund, as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations, attached as Exhibit H, and performed the following procedures:
 - i. We compared all information on the schedule to the legal documents that form the basis for the dedication or restriction of the balance in question.
 - ii. We compared the balance to the amount reported in the accounting records of the Successor Agency.
 - iii. We compared the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. We have attached, as Exhibit H, the listing obtained from the Successor Agency for itemized schedule of restricted asset balances as of June 30, 2012.

- B. The Successor Agency believes this step to be not applicable for all other funds.
- C. The Successor Agency believes this step to be not applicable for all other funds.
- D. The amount calculated of current unrestricted balances necessary for retention in order to meet the enforceable obligations is the same as established in step 8(A), and included in Exhibit H.

City of Guadalupe,

Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency

Agreed-Upon Procedures

Page 3

Exhibit B – Results (Continued)

9. We obtained from the Successor Agency a schedule of restricted cash balances for all other funds, excluding the Low and Moderate Income Housing Fund, as of June 30, 2012 attached as Exhibit I, that 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. For each obligation listed on the ROPS that was included in Exhibit I, the Successor Agency included explanations as to why they believe that such balances are needed to satisfy the obligation.
10. We obtained from the Successor Agency a schedule for all other funds, excluding the Low and Moderate Income Housing Fund, detailing the computation of the Balance Available for Allocation to Affected Taxing Entities, included as Exhibit J. We verified that amounts included in the calculation at Exhibit J agree to the results of the procedures performed in each section above.
11. We obtained from Successor Agency management a signed representation letter acknowledging their responsibility for the data provided to us and the data presented in the report or in any attachments to the report. Included in the representation is an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the Dissolved Guadalupe Community Redevelopment Agency or the Successor Agency to other parties for the period of January 1, 2011 to June 30, 2012 that have not been properly identified in the Agreed Upon Procedures report and its related exhibits.

**City of Guadalupe,
 Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
 Agreed-Upon Procedures
 All Funds, Excluding Low and Moderate Income Housing Fund
 Exhibit C – Transfers for the Periods of January 1, 2011 to January 31, 2012, and
 February 1, 2012 to June 30, 2012**

Purpose of Transfer	Amount	Enforceable Obligation (EO)/ Other Legal Requirement (LR)
<u>From Dissolved Redevelopment Agency to City for January 1, 2011 through January 31, 2012</u>		
<u>Interfund Transfers:</u>		
Transfer to City of Guadalupe for Administrative Costs	\$ 225,000	LR
Transfer to City of Guadalupe for Administrative Costs	175,000	LR
Transfer to Library Fund of City of Guadalupe	10,000	LR
Transfer to City of Guadalupe per Cost Allocation Plan	60,000	LR
Transfer to City of Guadalupe per Cost Allocation Plan	<u>25,000</u>	LR
Sub-total:	<u>495,000</u>	
<u>From Successor Agency to City for February 1, 2012 through June 30, 2012</u>		
<u>Interfund Transfers:</u>		
Transfer to City of Guadalupe for administrative allowance	75,000	EO
Transfer to Library Fund of City of Guadalupe	<u>10,000</u>	EO
Sub-total:	<u>85,000</u>	
Total Transfers to City for Period 1/1/2011 through 6/30/12	<u>\$ 580,000</u>	

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures**

**Exhibit D – Summary of Financial Transactions of All Funds of the
Redevelopment Agency and Successor Agency**

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash	\$ 2,418,749	\$ 1,752,102	\$ 1,811,317	\$ 2,211,670
Cash with fiscal agent	414,750	414,750	414,750	414,750
Accounts receivable	45,124	156,777	88,649	31,830
Loans receivable	1,124,891	1,849,196	1,853,681	1,886,519
Interfund	863,136	861,622	861,622	861,622
Interfund - City	965,655	863,655	836,155	836,155
Equipment	-	83,333	83,333	83,333
Land held for resale	-	222,482	222,482	222,482
Total Assets	\$ 5,832,305	\$ 6,203,917	\$ 6,171,989	\$ 6,548,361
Liabilities (modified accrual basis)				
Interfund - City	\$ 156,330	\$ 151,330	\$ -	\$ -
Interfund	863,136	861,622	861,622	861,622
poll remediation	-	99,391	88,650	-
A/P	246,898	49,436	5,682	433,136
Wages payable	94	-	-	-
Total Liabilities	\$ 1,266,458	\$ 1,161,779	\$ 955,954	\$ 1,294,758
Equity	4,565,847	5,042,138	5,216,035	5,253,603
Total Liabilities + Equity	\$ 5,832,305	\$ 6,203,917	\$ 6,171,989	\$ 6,548,361
Total Revenues:	\$ 2,102,230	\$ 3,154,704	\$ 874,229	\$ 620,199
Total Expenditures:	\$ 2,189,355	\$ 2,126,172	\$ 491,662	\$ 497,631
Total Transfers:	\$ 1,527,080	\$ 552,241	\$ 208,670	\$ 85,000
Net change in equity	\$ (1,614,205)	\$ 476,291	\$ 173,897	\$ 37,568
Beginning Equity:	\$ 6,180,052	\$ 4,565,847	\$ 5,042,138	\$ 5,216,035
Ending Equity:	\$ 4,565,847	\$ 5,042,138	\$ 5,216,035	\$ 5,253,603
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	\$ 267,285	\$ 306,135		\$ 302,565
Long-term debt as of end of year	\$ 6,048,952	\$ 5,919,840		\$ 5,872,038

**City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures
All Funds, Excluding Low and Moderate Income Housing Fund
Exhibit E – Listing of Assets
June 30, 2012**

Assets	
Cash and investments	\$ 1,544,950
Accounts receivable	31,830
Loans receivable	1,434,001
Due from City of Guadalupe	673,526
Land held for resale	222,482
Capital assets, net	<u>302,565</u>
Total Assets	<u><u>\$ 4,209,354</u></u>

City of Guadalupe,
Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
Agreed-Upon Procedures
All Funds, Excluding Low and Moderate Income Housing Fund
Exhibit F – Schedule of Restricted Asset Balances
June 30, 2012

Item #	Description	Amount
1	Cash with Fiscal Agent	
	a) Reserve Account	\$ 414,750
2	Unspent Bond Proceeds	
	a) Debt proceeds held by Successor Agency	217,189
	TOTAL:	\$ 631,939

**City of Guadalupe,
 Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
 Agreed-Upon Procedures
 All Funds, Excluding Low and Moderate Income Housing Fund
 Exhibit G – Schedule of Assets that are not Cash or Cash Equivalents
 June 30, 2012**

	<u>June 30, 2012</u>	<u>June 30, 2011 *</u>	<u>Increase/ (Decrease)</u>	
Physical Assets				
Loans receivable	\$ 1,434,001	\$ 1,396,678	\$ 37,323	1
Due from City of Guadalupe	673,526	696,026	(22,500)	2
Land held for resale	222,482	222,482	-	
Capital assets, net	<u>83,333</u>	<u>83,333</u>	<u>-</u>	
Total Physical Assets	<u><u>\$ 2,413,342</u></u>	<u><u>\$ 2,398,519</u></u>	<u><u>\$ 14,823</u></u>	

* Asset balances obtained from June 30, 2011 audited financial statements for the Guadalupe Community Redevelopment Agency.

- 1 Increase due to interest earned on loans net of loan payments.
- 2 Decrease due to scheduled payment from Wastewater Capital Fund.

**City of Guadalupe,
 Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
 Agreed-Upon Procedures
 All Funds, Excluding Low and Moderate Income Housing Fund
 Exhibit H – Schedule of Restricted Asset Balances for Funding Enforceable Obligations
 June 30, 2012**

Item #	Project Name	Approved Obligation	Amount Paid in Period Ending June 30, 2012	Amount Restricted for Obligation for June 30, 2012 Balance
1	2003 TAB	\$ 139,921	\$ 134,511	\$ 5,410
2	Note Payable - Henry Garcia	2,429	2,429	-
3	Note Payable - Olivia Garcia	30,000	2,429	27,571
4	Guadalupe Library	10,000	10,000	-
5	Al's Union - 995 Guadalupe Street	6,000	31,830	(25,830)
6	Personnel/Legal/Professional Services	109,162	75,000	34,162
7	URM Grant -813 Guadalupe Street	6,960	6,960	-
8	URM Grant - 920 Guadalupe Street	20,390	20,390	-
9	American Legion Hall Retrofit	25,000	2,452	22,548
		<u>\$ 349,862</u>	<u>\$ 286,001</u>	<u>\$ 63,861</u>

Reference

- 1 ROPS I - Form B, (prior period reconciliation)
- 2 ROPS I, Form A, line 2
- 3 ROPS I, Form A, line 3
- 4 ROPS I, Form A, line 4
- 5 ROPS I, Form A, line 5
- 6 ROPS I - Admin, Form C
- 7 ROPS I - Form B, (prior period reconciliation)
- 8 ROPS I - Form B, (prior period reconciliation)
- 9 ROPS I - Form B, line 4

**City of Guadalupe,
 Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
 Agreed-Upon Procedures
 All Funds, Excluding Low and Moderate Income Housing Fund
 Exhibit I – Schedule of Restricted Cash Balances for Funding Enforceable Obligations
 June 30, 2012**

<u>Item #</u>	<u>Project Name</u>	<u>Reference</u>	<u>Approved Obligation</u>	<u>Estimated Future Revenues</u> *	<u>Amount Needed to be Retained from June 30, 2012 Balance</u>
1	Enforceable Obligations - admin allowance	ROPS II	\$ 122,417	\$ -	\$ 122,417
2	Property Tax Distribution	RPTTF*	536,377		536,377
			<u>\$ 658,794</u>	<u>\$ -</u>	<u>\$ 658,794</u>

* Redevelopment Property Tax Trust Fund (RPTTF)

**City of Guadalupe,
 Successor Agency for the Dissolved Guadalupe Community Redevelopment Agency
 Agreed-Upon Procedures
 All Funds, Excluding Low and Moderate Income Housing Fund
 Exhibit J – Summary of Balances Available for Allocation to Affected Taxing Entities
 June 30, 2012**

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the Successor Agency as of June 30, 2012 (Exhibit E)	\$ 4,209,354
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)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (Exhibit F)	(631,939)
Less assets that are not cash or cash equivalents (e.g., physical assets) (Exhibit G)	(2,413,342)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations (Exhibit H)	(63,861)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (Exhibit I)	(658,794)
Less the amount of payments made on July 12, 2012 to the County Auditor - Controller as directed by the California Department of Finance	<u>(521,772)</u>
Amount to be remitted to County for disbursement to taxing entities	<u><u>\$ (80,354)</u></u>

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE JULY 2012 to DECEMBER 2012 PERIOD**

Name of Successor Agency City of Guadalupe

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 13,623,288.00	\$ 1,148,477.19
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 949,047.59	
Available Revenues other than anticipated funding from RPTTF	\$ 177,083.33	
Enforceable Obligations paid with RPTTF	\$ 649,547.28	
Administrative Cost paid with RPTTF	\$ 122,416.98	
Pass-through Payments paid with RPTTF	\$ -	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 32,477.36	

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

_____	_____
Name	Title
_____	_____
Signature	Date

Name of Redevelopment Agency: Guadalupe Redevelopment Agency
 Project Area(s): RDA Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

7/12-12/12

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Fiscal Year 2012-2013**	*** Funding Source	Payments by month					Total	
								July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012		Dec 2012
1) 2003 Tax Allocation Bonds	6/2003	US Bank	Bond issue to fund for non-housing projects	Guadalupe	10,658,868.00	412,118.00	RPTTF	282,218.00	0.00	0.00	0.00	0.00	130,000.00	\$ 412,118.00
2) Property Investment	6/2010	Sanchez, Henry	Note Payable/Amended - Royal Theatre - Henry Garcia	Guadalupe	29,000.00	4,858.50	RPTTF	404.88	404.88	404.88	404.88	404.88	404.88	2,029.28
3) Royal Theater Restaff	2/2012	Contractors/Engineers	Disposition of Agency Property (848 Guadalupe St)	Guadalupe	330,000.00	180,000.00	RPTTF	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	\$ 60,000.00
4) A's Union Site Remediation	6/2008	City of Guadalupe	Disposition of Agency Property (895 Guadalupe St)	Guadalupe	1,318,980.00	100,000.00	RPTTF	8,533.33	8,533.33	8,533.33	8,533.33	8,533.33	8,533.33	\$ 50,000.00
5) Environmental Consulting	6/2008	DNA Bank	Disposition of Agency Property (895 Guadalupe St)	Guadalupe	37,000.00	12,000.00	RPTTF	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	\$ 5,000.00
6) Due to other funds	6/2010	LMHF	Repayment for SBRAE (2011)	Guadalupe	305,592.00	50,000.00	RPTTF	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	\$ 25,000.00
7) Due to other funds	6/2011	LMHF	Repayment for SBRAE (2011)	Guadalupe	83,486.00	25,000.00	RPTTF	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	\$ 19,500.00
8) Due to other funds	6/1992	LMHF	Housing deferral Payment	Guadalupe	117,684.00	10,000.00	RPTTF	833.33	833.33	833.33	833.33	833.33	833.33	\$ 5,000.00
9) Property Management & Misc	In Progress	City of Guadalupe	Disposition of Agency Property	Guadalupe	46,500.00	12,000.00	RPTTF	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	\$ 6,000.00
10) Planning Services - Prop Disposition	6/2006	Rincon Consultants	Disposition of Agency Property	Guadalupe	45,000.00	12,000.00	RPTTF	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	\$ 6,000.00
11) Building & Inspection Services	6/2003	JAS Pacific	Disposition of Agency Property	Guadalupe	35,000.00	9,000.00	RPTTF	750.00	750.00	750.00	750.00	750.00	750.00	\$ 4,500.00
12) Supplies, Utilities, Insurance	JPA, Various	City of Guadalupe	Property owed by RDA	Guadalupe	20,000.00	10,000.00	RPTTF	833.33	833.33	833.33	833.33	833.33	833.33	\$ 5,000.00
13) Lambert Hotel	4/2008	LMHF	Disposition of Agency Property	Guadalupe	295,815.00	50,000.00	RPTTF	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	\$ 25,000.00
14)														\$ -
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28)														\$ -
29)														\$ -
30)														\$ -
31)														\$ -
32)														\$ -
Totals - This Page (RPTTF Funding)					\$ 13,254,704.00	\$ 886,976.50	N/A	\$ 321,689.54	\$ 39,571.54	\$ 39,571.54	\$ 39,571.54	\$ 39,571.54	\$ 39,571.54	\$ 649,547.28
Totals - Page 2 (Other Funding)					\$ 98,750.00	\$ 16,666.66	N/A	\$ 98,750.00	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67	\$ 177,083.33
Totals - Page 3 (Administrative Cost Allowance)					\$ 244,834.00	\$ 244,834.00	N/A	\$ 20,402.85	\$ 20,402.85	\$ 20,402.85	\$ 20,402.85	\$ 20,402.85	\$ 20,402.85	\$ 127,416.36
Totals - Page 4 (Pass Thru Payments)					\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total - All Pages					\$ 13,679,288.00	\$ 1,148,477.19		\$ 439,842.37	\$ 76,641.04	\$ 76,641.04	\$ 76,641.04	\$ 76,641.04	\$ 76,641.04	\$ 949,647.59

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final ROPS to the State Controller and State Department of Finance.

** All totals due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: For fiscal 2011-12 only, refer to RPTTF; for fiscal 2012-12 only, refer to RPTTF.

LMHF - Low and Moderate Income Housing Fund
 Admin - Successor Agency Administrative Allowance
 Bond - Bond proceeds
 Other - reserves, rents, interest earnings, etc

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from Other Revenue Sources						Total
								Payments by month						
								Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012
1) Housing Project - PDV Purchase	6/2007	Title Company/Habitat for Humanity	Affordable Housing Project	Guadalupe	100,000.00	100,000.00	LMHF	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33
2) Housing Project - Bulk Housing	Contractor Discussions - In Progress	Developer/Contractors	Affordable Hsg. 2 parcels purchased in 2007	Guadalupe	825,000.00	825,000.00	LMHF	68,750.00	68,750.00	68,750.00	68,750.00	68,750.00	68,750.00	68,750.00
3) Housing Project - Rehabilitation	9/2007	Various Contractors	Rehabilitate Existing Property	Guadalupe	100,000.00	100,000.00	LMHF	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33
4) American Legion Hall Retrofit	8/2009	Various Contractors	Retrofit Program	Guadalupe	675,000.00	50,000.00	BOND/Other	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67
5) Royal Theater Retrofit	2/2012	Various Contractors	Retrofit Program	Guadalupe	150,000.00	50,000.00	BOND/Other	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67
6)														
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32)														
33)														
Totals - LMHF					\$ 1,025,000.00	\$ 1,025,000.00		\$ 85,416.66	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33
Totals - Bond Proceeds					\$ 825,000.00	\$ 100,000.00		\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34
Totals - Other					\$ 1,851,000.00	\$ 1,125,000.00		\$ 93,750.00	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67	\$ 16,666.67
Grand Total - This Page								\$ 187,500.00	\$ 33,333.34	\$ 33,333.34	\$ 33,333.34	\$ 33,333.34	\$ 33,333.34	\$ 33,333.34

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.
 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund
 LMHF - Low and Moderate Income Housing Fund
 Bond - Bond Proceeds
 Other - reserves, rents, interest earnings, etc
 Admin - Successor Agency Administrative Allowance

FORM C - Administrative Cost Allowance Paid With Redevelopment Property Tax Trust Fund (RPTTF)

Name of Redevelopment Agency: Guadalupe Redevelopment Agency
 Project Area(s): RDA Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source **	Payable from the Administrative Allowance Allocation****						Total											
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012												
1) Cost Allocation Table	City of Guadalupe	Allocation of costs based on percentages	Guadalupe	244,834.00	244,834.00	RPTF	20,402.83	20,402.83	20,402.83	20,402.83	20,402.83	20,402.83	122,416.98											
2)						RPTF																		
3)						RPTF																		
4)						RPTF																		
5)																								
6)																								
7)																								
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26)																								
27)																								
28)																								
Totals - This Page																								
							\$	244,834.00	\$	244,834.00	\$	20,402.83	\$	20,402.83	\$	20,402.83	\$	20,402.83	\$	20,402.83	\$	20,402.83	\$	122,416.98

* The Preliminary Debt Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.

Upon Procedures: Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: [For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.]

RPTTF - Redevelopment Property Tax Trust Fund

LVHIF - Low and Moderate Income Housing Fund

**** - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

Other - reserves, rents, interest earnings, etc.

Admin - Successor Agency Administrative Allowance

Bonds - Bond proceeds

FORM D - Pass-Through Payments

Name of Redevelopment Agency: Guadalupe Redevelopment Agency
 Project Area(s): FDA Project Area All

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Source of Fund***	Pass Through and Other Payments ****						Total	
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012		
1)														
2)														
3)														
4)														
5)														
6)														
7)														
8)														
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19)														
20)														
21)														
Totals - Other Obligations				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 Bonds - Bond proceeds
 RPTTF - Redevelopment Property Tax Trust Fund
 LMIHF - Low and Moderate Income Housing Fund
 Admin - Successor Agency Administrative Allowance
 Other - reserves, rents, interest earnings, etc

**** Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 341383 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.

Name of Successor Agency: City of Guadalupe
 County: Santa Barbara

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) - Notes (Optional)
 January 1, 2013 through June 30, 2013

Item #	Notes/Comments	
3 & 4	Royal Theatre Retrofit - total project:	450,000
5 & 6	All's Union total estimated cost to Clean up UST fund should be discussed.	TBD
17; 18; 19	Combine for total construction of Affordable Housing Units:	
20	American Legion cost to Retrofit	676,000
22	Royal Theatre Retrofit - total project:	
A1	Bond Pmt Not estimated on ROPS I but paid Jan. 2012. Therefore credit on this PPP (tab) reconciliation for that payment. However, two payments estimated on ROPS II but only one paid during that period, therefore will be negative adjustment on ROPS IV	139,921
A3	Estimated on ROPS I but payment made during ROPS II period. Not estimated on ROPS II so positive adjustment on ROPS IV & neg adj on ROPS III	27,257

SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET
 City of Guadalupe
 PERIOD ENDING JUNE 30, 2013

ATTACHMENT A

		Annual Salary X		Amount recorded	
		percentage allocated (5% increase from 11/12)	20% Overhead rate *	on ROPS for period Jan - June 2013	
Personnel:					
City Administrator - FTE	55%	84,029	46,216	55,459	
Finance Director - PT 3/4	60%	60,921	36,553	43,864	
Business Manager - FTE	25%	68,128	17,032	20,438	
Senior Account Clerk - FTE	18%	53,650	9,657	11,588	
City Council - Elected	24%	1,800	432	518	
Administrative Asst - FTE	60%	51,092	30,655	36,786	
City Clerk - Elected	50%	1,800	900	1,080	
Total Personnel plus Overhead:			169,733	84,867	
Services other than Personnel:					
Financial Audit			15,000	18,000	
City Attorney			12,000	14,400	
RDA Attorney			12,000	14,400	
Professional Services			8,000	9,600	
OB Attorney			20,000	24,000	
Total SA Services plus overhead:			80,400	40,200	
					Total Administration - 6 months: 125,067
					Annual 12/13: 250,133
* Overhead Rate Calculation Analysis:					
Supplies			3.00%		
IT			2.00%		
Equipment			5.00%		
Utilities			4.00%		
Custodial			3.00%		
Safety			1.50%		
General Facilities Management			1.50%		
			20.00%		



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

REVISED

December 21, 2012

RECEIVED

DEC 26 2012

City of Guadalupe
Finance Department

Ms. Carolyn Galloway-Cooper, Finance Director
City of Guadalupe
918 Oblispo Street
Guadalupe, CA 93434

Dear Ms. Galloway-Cooper:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated October 20, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Guadalupe Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 4, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on October 20, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 21, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the items being disputed.

- **Item No. 2 – expenditure contract signed October 7, 2011 in the amount of \$26,456.** Finance no longer objects to the item and increases the request from \$2,429 to the full amount due of \$26,456. Finance denied the item as HSC section 34163 (b) prohibits a redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011 and HSC section 34163 (c) prohibits a RDA from amending or modifying extending agreements with any entity for any purpose after June 27, 2011. The Agency contends the item is an enforceable obligation because a loan agreement was entered into on February 16, 2001. The Agency provide the original Note Secured by a Deed of Trust dated July 29, 2000, which states that all unpaid sums of principal and interest shall be due and payable July 2010. HSC section 34163 (c) prohibits a RDA from amending or modifying extending agreements with any entity for any purpose after June 27, 2011; therefore, the full amount of \$26,456 is currently due and payable. Finance agrees this item is an enforceable obligation.
- **Item No. 5 – contract between the City and the former RDA in the amount of \$1.3 million.** Finance no longer objects to the item. Finance denied the item as HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the RDA and the former RDA are not enforceable. The Agency contends the item is an enforceable obligation because the environmental cleanup is required and a \$1.5 million state grant was approved to pay for the cleanup. HSC section 34173 (f) allows for any

existing cleanup plans and the liability limits authorized under the Polanco Act shall be transferred to the successor agency. Therefore, this Item is an enforceable obligation.

- Items Nos. 6, 11, and 12 – contracts between the City and third parties totaling \$117,000. Finance no longer objects to Item 6, but continues to deny items 11 and 12. Finance denied the items as the former RDA is neither a party to the contracts nor responsible for payments of the contracts. The Agency contends the items are enforceable obligations because the contractors' work includes Agency services, similar to permanent employees. However, the contracts are between the City and various third parties and not the former RDA and the Agency did not provide supporting documentation to demonstrate the commitment of RDA funds to the contracts. Since the former RDA is not a party to the contracts or responsible for payment of the contracts, items 11 and 12 are not enforceable obligations. Item 6 is an enforceable obligation per the reasons discussed in Item 5 above.

In addition, per Finance's ROPS letter dated October 20, 2012, items 13 and 14 continue to be reclassified as administrative costs.

The Agency's maximum approved RPTTF distribution for the reporting period is: \$370,846 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 286,846
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 11	12,000
Item No. 12	9,000
Item No. 13*	10,000
Item No. 14*	50,000
Total approved RPTTF for enforceable obligations	\$ 185,846
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	185,000
Total RPTTF approved:	\$ 370,846

*Reclassified as administrative costs

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your

Ms. Carolyn Galloway-Cooper

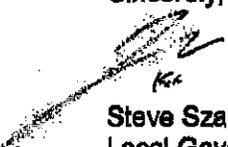
December 21, 2012

Page 3

ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



Steve Szalay
Local Government Consultant

cc: Ms. Juana Merino-Escobar, Administrative Assistant, City of Guadalupe
Mr. Ed Price, Division Chief Property Tax Division, County of Santa Barbara
California State Controller's Office

COUNTY OF SANTA BARBARA

ROBERT W. GEIS, C.P.A.
Auditor-Controller

THEO FALLATI, C.P.A.
Assistant Auditor-Controller



County Administration Building
105 E. Anapamu Street, Rm. 303
Santa Barbara, CA 93101
(805) 568-2100

Auditor@co.santa-barbara.ca.us

Mailing Address:
P.O. Box 39
Santa Barbara, CA 93102-0039
Fax: (805) 568-2016

OFFICE OF THE AUDITOR-CONTROLLER

January 9, 2013

Ms. Virginia Ponce
Chair, City of Guadalupe Oversight Board
918 Obispo Street
Guadalupe, CA 93434

RE: County Auditor-Controller Comments on the Successor Agency to the City of Guadalupe Redevelopment Agency, Non Housing Funds Due Diligence Review Report

Dear Ms. Ponce,

Pursuant to Health and Safety Code Section 34179.6(b) this letter is intended to formally communicate our opinions regarding the non-housing funds due diligence review report.

We reviewed the non-housing funds due diligence review report provided to us by the Successor Agency to the City of Guadalupe Redevelopment Agency (RDA). In conducting our review we considered the report in the context of other information provided by the Successor Agency.

For the purposes of our review we determined the following information to be relevant in the context of the due diligence review report:

- According to its audited financial statements at June 30, 2010 the RDA had a total funds cash balance of \$2,546,796.
- According to its audited financial statements at June 30, 2011 the RDA had a total funds cash balance of \$1,461,203.
- According to the due diligence review report the Successor Agency had \$1,544,950 in non-housing cash and investment accounts.

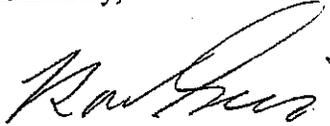
The following are our comments on the due diligence review report:

- The balances at June 30, 2010 included in Exhibit D of the due diligence review report do not agree to the RDA's audited financial statements for the same time period.
- It is unclear as to the need for the successor agency to withhold \$913,011 of cash for future debt service payments.

Ms. Ponce
Page 2
January 9, 2013

- It is unclear as to the need for the successor agency to withhold a year of administrative expenses.
- The Successor Agency should determine the appropriate amount of reserves needed for cash flow purposes and report that amount as part of Procedure 9.
- We also recommend that the Successor Agency include a detailed listing of assets in the due diligence review report.

Sincerely,



Robert W. Geis, CPA
Auditor-Controller

OVERSIGHT BOARD MEETING

DATE: January 31, 2013

TO: CHAIRMAN AND MEMBERS OF THE OVERSIGHT BOARD

FROM: ROBERT SCHULTZ

**SUBJECT: CONSIDERATION OF OB RESOLUTION NO. 2013-02 ESTABLISHING
THE DATE, TIME AND LOCATION FOR OVERSIGHT BOARD MEETINGS**

RECOMMENDATION

Adopt Oversight Board Resolution No. 2013-02 establishing the date, time and location for meetings of the Oversight Board.

BACKGROUND

The Oversight Board has been established to supervise the dissolution of the Guadalupe Redevelopment Agency in accordance with Health and Safety Code Section 34179. The Board is required to review and approve all actions taken by the Successor Agency to implement the dissolution process.

DISCUSSION

In order to review and approve actions of the Successor Agency, the Oversight Board will need to meet regularly. Previously, it was determined that the Oversight Board would meet at 9:00 a.m. on the fourth Friday of each month. However, due to furlough days that day maybe problematic for the City. Therefore, the Board should discuss and chose a day and time for the regular meetings. It is further recommended that the meetings be held at City Hall in the Council Chambers. Staff will recommend cancellation of meetings where there is no need for the meeting or recommend special meetings if the need arises.

OB RESOLUTION NO. 2013-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER GUADALUPE REDEVELOPMENT AGENCY ESTABLISHING THE DATE, TIME AND LOCATION OF OVERSIGHT BOARD MEETINGS

WHEREAS, the Oversight Board of the Successor Agency to the former Guadalupe Redevelopment Agency ("Oversight Board") has been established in accordance with Health and Safety Code Section 34179; and

WHEREAS, the Oversight Board has met and conferred to determine a date, time and location for Oversight Board meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS FOLLOWS:

Section 1: The Oversight Board shall meet on the _____ of each month and the meetings shall be open to the public. Meetings may be adjourned by the presiding officer or by the Secretary if a quorum is not present.

Section 2: The Oversight Board meetings shall take place at City of Guadalupe City Hall, 918 Obispo Street, Guadalupe, California.

Section 3: Special meetings may be called by the Chairperson or by four (4) board members, and notice thereof shall be provided in accordance with the Brown Act.

PASSED, APPROVED, AND ADOPTED, by the Board of Directors of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Guadalupe, California ("Oversight Board") on the 31st day of January 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Hugo Lara, Chair

ATTEST:

Carolyn Galloway-Cooper, Secretary

OVERSIGHT BOARD MEETING

DATE: January 31, 2013

TO: CHAIRMAN AND MEMBERS OF THE OVERSIGHT BOARD

FROM: ROBERT SCHULTZ

**SUBJECT: CONSIDERATION OF OB RESOLUTION NO. 2013-03 ADOPTING RULES
AND PROCEDURES AND RESOLUTION NO. 2013-04 ADOPTING
BYLAWS OF THE OVERSIGHT BOARD**

RECOMMENDATION

Adopt OB Resolution No. 2013-03 and OB Resolution No. 2013-04 adopting 1) Rules and Procedures; and 2) Bylaws for the Oversight Board.

BACKGROUND

On February 1, 2012, all assets, properties, contracts, leases, and records of the former Guadalupe Redevelopment Agency were transferred by operation of law to the control of the Successor Agency. Furthermore, the Successor Agency has established an Oversight Board pursuant to Health and Safety Code 37179 to oversee the dissolution of the City's former redevelopment agency.

DISCUSSION

Rules of Procedure and Bylaws should be adopted in order to facilitate the operation of the Oversight Board. Proposed Rules of Procedure and Bylaws have been prepared and are attached for the Board's consideration. Adoption of Rules and Procedures and Bylaws must be done by resolution.

OB RESOLUTION NO. 2013-03

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE FORMER GUADALUPE
REDEVELOPMENT AGENCY ADOPTING RULES OF
PROCEDURES FOR MEETINGS AND RELATED FUNCTIONS
AND ACTIVITIES OF THE OVERSIGHT BOARD**

WHEREAS, the Oversight Board of the Successor Agency to the former Guadalupe Redevelopment Agency ("Oversight Board") has been established in accordance with Health and Safety Code Section 34179; and

WHEREAS, the Oversight Board has been established to direct the Successor Agency to take certain actions to wind down the affairs of the former Guadalupe Redevelopment Agency in accordance with the California Health and Safety Code; and

WHEREAS, the Oversight Board desires to adopt rules of procedure for the establishment and general operation of the Oversight Board, including but not limited to the conduct of meetings and the approval of contracts and budgets.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS FOLLOWS:

Section 1: The Rules of Procedures of the Oversight Board, a copy of which is attached hereto and incorporated herein as Exhibit "A", are hereby approved.

Section 2: The Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED, by the Board of Directors of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Guadalupe, California ("Oversight Board") on the 31st day of January 2013, by the following vote to wit:

AYES:
NOES:
ABSENT:

Hugo Lara, Chair

ATTEST:

Carolyn Galloway-Cooper, Secretary

**RULES OF PROCEDURE OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
GUADALUPE REDEVELOPMENT AGENCY**

ARTICLE 1 - MEETINGS

A. Rules and Procedures

The Board shall be governed by these Rules and Procedures, when adopted by a majority of its total membership. However, except as otherwise provided herein, the Board shall be governed by the rules and procedures contained in the most recent edition of Robert's Rules of Order.

B. Compliance with Ralph M. Brown Act

All meetings of the Board shall be open to the public, and otherwise comply with the requirements of the Ralph M. Brown Act.

C. Definition of "Meetings"

1. Meetings – Generally

"Meetings" shall include any congregation of a majority of the Board at the same time and place to hear, discuss, or deliberate upon any item that is within their subject matter jurisdiction, except as provided in the following subsections.

2. Conferences and Seminars

Attendance by a majority of the Board at a conference or similar gathering does not constitute a meeting, as long as they are open to the public, involve a discussion of issues of general interest to Oversight Boards and a majority of the members do not discuss among themselves business of a specific nature that is within their subject matter jurisdiction, other than as a part of the scheduled program.

3. Community Meetings

Attendance by a majority of the Board at a publicized meeting open to the general public to address a topic of local community concern does not constitute a meeting, provided such majority does not discuss among themselves business of a specific nature that is within their subject matter jurisdiction, other than as part of the scheduled program.

4. Social and Ceremonial Gatherings

Attendance by a majority of the Board at a purely social or ceremonial occasion does not constitute a meeting, provided such majority does not discuss among themselves business of a specific nature that is within their subject matter jurisdiction.

5. Other Public Agency Meetings

Attendance of a majority of the Board at an open and publicly noticed meeting of any other elected public agency or appointed body of such agency does not constitute a meeting, provided such majority does not discuss among themselves business of a specific nature that is within their subject matter jurisdiction, except as part of the scheduled meeting.

D. Quorum

Four (4) members of the Oversight Board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. Every official act of the Board shall be adopted by a majority vote except in situations where the law calls for a vote of more than a simple majority. A "majority vote" shall mean a majority of the full Board (i.e., four affirmative votes). In the event one or more Members have been disqualified because of an approved conflict of interests on an item on the agenda, so that a quorum of the Board cannot be convened for action on such item at that meeting, but legally it is necessary for action be taken on such item at that meeting, as many disqualified Members as necessary to constitute a quorum shall be selected by a random lot process of the remaining Members and participate in the deliberations and actions of the Board on such item as if no such conflict existed. However, prior to such participation, a disqualified Member shall:

1. Disclose the existence and nature of such conflict of interests for the record;
2. State the reason why action on such agenda item is necessary at such meeting, in which the majority of the remaining Members must concur; and
3. Participate in the discussion and action on such agenda item only during a noticed public meeting of the Board.

E. Regular Meeting

The regular meetings of the Oversight Board shall be held on the _____ of each month at 9:00 a.m., in the Council Chambers of the City of Guadalupe City Hall, or such other temporary facilities as may be designated by resolution of the Board. If any such regular meeting falls on a legal holiday, it shall be held on the next business day or another alternative day fixed by the Board in advance of their next regular meeting date.

F. Special Meetings

Special meetings of the Board may be called by written notice signed by the Chair or a majority of the membership of the Board describing the items on the agenda of such meeting which may be considered at such meeting, to the exclusion of all other items, the time and place of such meeting, and delivered to the members of the Board and any newspaper of general circulation, radio or television station requesting notice in writing, as well as posted at City Hall and other places designated by the City for the posting of public notices at least 24 hours in advance of

such meeting. However, such written notice to Members may be dispensed with as to any Member who files with the Secretary a written waiver of notice at or prior to the time such meeting convenes, and as to any Member who is present at such meeting at the time it convenes.

G. Adjourned Meetings

If the agendaed business of the Board is not finished during any regular, adjourned regular, special or adjourned special meeting, that meeting may be adjourned by a majority of its quorum then present to a specified time and place prior to its next regular meeting. However, within 24 hours after such adjournment, a notice of such adjournment shall be posted on the door of the Council Chambers or other location in which such meeting was held, and also shall be posted in all other locations designated by the City for posting public notices. If fewer than a majority of Members attend a regular, adjourned regular, special or adjourned special meeting, that plurality may adjourn that meeting to a stated time and place, the Secretary shall declare that meeting adjourned to a stated time and place, with written notice of such adjournment given in the same manner as provided herein for adjournment of regular or special meetings. If all Members are absent from any regular or adjourned regular meeting, the Secretary may declare the meeting adjourned to a stated time and place and cause a written notice of adjournment to be given in the same manner or provided in Government Code Section 54956 for special meetings. A copy of the Notice of Adjournment shall be conspicuously posted on or near the door of the place where the adjourned meeting was held within 24 hours after the time of adjournment.

H. Agenda

The Secretary, in cooperation with the Chair, shall prepare an agenda describing the items to be considered in a brief general description, and specifying the time and location of every meeting of the Board. All agendas provided to Members shall be accompanied by an agenda packet, consisting of staff reports on the agenda items and all communications and other documentation relating to such item received by the Secretary prior to preparation of that agenda. The agenda for any regular or adjourned regular meeting of the Board shall be posted 72 hours in advance of such meeting, and the agenda for any special or adjourned special meeting of the Board shall be posted 24 hours in advance of such meeting in a location that is freely accessible to the public for the entire 72 or 24 hour period, and also shall be delivered personally or by any other means resulting in receipt by every Member as well as any newspaper, radio or television station that has requested notice in writing, 72 hours in advance of such regular or adjourned regular meeting and 24 hours in advance of such special or adjourned special meeting. Only items of business listed on the posted agenda for a regular or adjourned regular meeting can be transacted by the Board unless added to the agenda under the authority of Govt. Code § 54954.2 *et seq.* (1) when an emergency, as defined in Government Code Section 54956.5, is determined to exist by a majority of the Board members present, or (2) when it is determined by two-thirds of the quorum or by unanimous vote when less than two-thirds of the Members present that both (a) there is need to take action immediately, and (b) the need for action came to the attention of the Board after their agenda was posted, or (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken. Only items described in the

notice calling a special meeting may be considered at such meeting; and the forgoing additions of items to the agenda authorized by Govt. Code § 54952.2 do not apply.

I. Study Sessions and Workshops

All study sessions and workshops of the Board shall be conducted as a regular, special, adjourned regular or adjourned special meeting pursuant to the requirements established in these Rules and Regulations.

ARTICLE 2 - DEPARTMENT OF FINANCE REVIEW

Any action or decision of the Board may be reviewed by the State Department of Finance and shall be governed by the provisions contained in Health and Safety Code Section 34179 (h).

ARTICLE 3 - VOTING

A. Board Action

Every official act of the Board shall be by resolution or motion adopted by a majority vote of the Board quorum, unless otherwise provided herein or required by law. Every Member, including the Chair or other presiding officer, is entitled to one vote, and is required to vote on all agenda items coming before the Board unless excused because of a legally recognized conflict of interests. However, no proxy votes are permitted.

B. Voting Procedure

On the passage or defeat of every motion, the vote shall be taken by voice or roll call and entered in full in the record of the Board. The order of voting shall be: 1) Member making the motion; 2) Member seconding the motion; 3) all other Members in alphabetical order, with the Chair voting last.

C. Roll Call Voting

A roll call vote shall be required for action on all public hearing matters and adoption of any resolution. Any other questions before the Board shall not require a roll call unless requested by a Member. Any Member may change his or her vote before the next order of business is called by the Chair.

D. Reconsideration

Any Member who voted with the majority may move for reconsideration of any action at the same meeting, except for actions taken after a noticed public hearing. However, after a motion for reconsideration has failed, no other motion for reconsideration of the same matter shall be made without unanimous consent of the Board. A motion to reconsider actions taken after a

public hearing shall require the public hearing to be reconvened pursuant to the notice and other proceedings required herein.

E. Abstention

Members are required to vote on all items on the agenda for a meeting unless they are disqualified by a conflict of interests.

F. Silence

Unless a Member has been disqualified by an approved conflict of interest, the silence of such Member on a vote shall be recorded as an affirmative vote.

G. Tie Votes

Tie votes shall be recorded as a failure of a proposed action to be approved by the Board.

H. Absence

Any Member absent from a meeting shall not be allowed to vote on any matter discussed at that meeting, unless that Member has listened to the tape of that meeting, reviewed the minutes of that meeting if then approved by the Board, reviewed all correspondence and other documents presented to the Board at that meeting, and discussed the item with the Community Development Department Director.

I. Robert's Rules of Order

Unless otherwise provided in these Rules and Procedures, the procedure for conduct of Board meetings shall be governed by the most recently revised and published edition of Robert's Rules of Order. However, the failure of the Board to conform to such Rules of Order shall not invalidate any action taken by the Board.

ARTICLE 4 - REGULAR MEETING ORDER OF BUSINESS

The order of business at any regular meeting shall be as follows:

1. Call To Order.
2. Flag Salute.
3. Public Communications not to exceed three minutes for each speaker on matters not included on the agenda for that meeting, which may be placed on the agenda for the next regular meeting of the Oversight Board if deemed necessary by a majority of its Members.
4. Consent Calendar.
5. New Business.
6. Board Comments.
7. Adjournment.

ARTICLE 5 - RULES OF DECORUM AND ORDER

A. Decorum and Order – Members:

1. Every Member desiring to speak shall address the Chair, and upon recognition by the Chair shall confine any remarks to the question under debate.
2. A Member, once recognized, shall not be interrupted while speaking unless called to order by the Chair, unless a Point of Order is raised by another Member or unless the speaker chooses to yield to questions from another Member.
3. If a Member is called to order while speaking, the Member immediately shall cease speaking until the question of order is determined. If ruled out of order, the Member shall remain silent or alter any further remarks to comply with rules of the Board.
4. Members shall accord the utmost courtesy to each other, to applicants, City employees and to members of the public appearing before the Board, and shall refrain at all times from rude or derogatory remarks, reflections as to integrity of any person, and abusive comments and statements as to motives and personalities.
5. Any Member may introduce a motion at any time to require the Chair to enforce these Rules and Procedures, and after a second the affirmative vote of a majority of the Board quorum shall require the Chair so to act.

B. Decorum and Order – Employees

City staff shall observe the same rules of order and decorum applicable to Members. Any staff member desiring to address the Board shall be recognized by the Chair before beginning to speak. All remarks shall be addressed to the Chair and not to any individual Member or member of the public.

C. Decorum and Order – Public

Members of the public attending Board meetings shall observe the same rules of order and decorum applicable to Members.

D. Enforcement of Decorum

The Chief of Police or designee shall be the ex-officio sergeant-of-arms of the Board, and shall carry out all orders and instructions given by the Chair for the purpose of maintaining order and decorum in the Board chambers.

E. Warning

The Chair shall request a person who is violating the rules of decorum and order of the Board to

cease such conduct. If, after receiving a request from the Chair, the person persists in violating these rules, the Chair shall order a recess. Any representative of City law enforcement authority who is present at the meeting when the violation occurs shall be authorized to warn the person that his or her conduct is violating these rules, to request that person to cease such conduct. If, upon resumption of the meeting, the violation persists, the Chair shall order another recess; whereupon the Chair shall have the authority to ask the City law enforcement personnel to remove the person from the meeting and/or to cite the person as being in violation of Penal Code Section 403.

F. Motion to Enforce

If the Chair falls to enforce these rules of decorum, any Member may move to require the Chair to do so, and after a second and an affirmative vote of a majority of the board quorum the Chair shall be required to do so. If the Chair thereafter fails to do so, the majority of the quorum may designate another member to act as Chair for the limited purpose of enforcing such rules of decorum.

G. Clearing the Room

In the event that any meeting is interrupted willfully by a person or group of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of such person or group of persons, the meeting room may be ordered cleared by motion of a Member, a second and a majority vote of the Board quorum, and the meeting shall continue in session. Only matters appearing on the agenda may be considered in such a continued session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any such continued session. Upon instructions from the Chair it shall be the duty of the Chief of Police or the representative of the Chief of Police to eject any person from the Board Chambers or place any person under arrest or both.

H. Violation of the California Penal Code

A person who substantially interrupts and impairs the orderly conduct of a board meeting by knowingly and intentionally violating these rules of decorum and order shall be prosecuted under Penal Code Section 403 for disturbing a public meeting. Every person who violates Penal Code Section 403 is guilty of a misdemeanor.

ARTICLE 8 - AMENDMENTS TO RULES AND PROCEDURES

These Rules and Procedures may be amended by the Board at any regular meeting by a majority vote of its membership, after a Member's motion and second, or at any special meeting provided that the proposed amendment is included in the written notice of such special meeting.

OB RESOLUTION NO. 2013-04
A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE FORMER GUADALUPE
REDEVELOPMENT AGENCY ADOPTING BYLAWS

WHEREAS, the Oversight Board of the Successor Agency to the former Guadalupe Redevelopment Agency ("Oversight Board") has been established in accordance with Health and Safety Code Section 34179; and

WHEREAS, the Oversight Board has been established to direct the Successor Agency to take certain actions to wind down the affairs of the former Guadalupe Redevelopment Agency in accordance with the California Health and Safety Code; and

WHEREAS, the Oversight Board desires to adopt bylaws for the general operation of the Oversight Board, including but not limited to the designation of officers and conduct of meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD, AS FOLLOWS:

Section 1: The Bylaws of the Oversight Board, a copy of which is attached hereto and incorporated herein as Exhibit "A", are hereby approved.

PASSED, APPROVED, AND ADOPTED, by the Board of Directors of the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Guadalupe, California ("Oversight Board") on the 31st day of January 2013, by the following vote to wit:

AYES:
NOES:
ABSENT:

Hugo Lara, Chair

ATTEST:

Carolyn Galloway-Cooper, Secretary

**BYLAWS OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE FORMER GUADALUPE REDEVELOPMENT AGENCY**

ARTICLE 1 – THE OVERSIGHT BOARD

Section 1. Name of Authority

The official name shall be the “Oversight Board of the Successor Agency to the former Guadalupe Redevelopment Agency” (hereinafter referred to as “Board”).

Section 2. Place of Meeting

The regular place of meetings of the Board shall be at the Council Chambers of the City of Guadalupe located at City Hall, 819 Obispo, Guadalupe, California. The Board may hold its meetings at such other locations as the Board may from time to time designate by resolution, in the order of adjournment, or notice of call of any special meeting consistent with applicable law.

Section 3. Establishment

A Board consisting of seven (7) members (“Members”) has been established for the City of Guadalupe as Successor Agency to the former Guadalupe Redevelopment Agency. The Board shall be vested with all the rights, powers, duties, privileges, and immunities established by Sections 34179, 34180, and 34181 of the California Health and Safety Code.

Section 4. Qualification of Members

The Board shall be composed of seven members selected by specified agencies (“Member Agency”) as follows:

- i. One member appointed by the County of Santa Barbara Board of Supervisors;
- ii. One member appointed by the Mayor of the City of Guadalupe;
- iii. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former Guadalupe Redevelopment Agency;
- iv. One member appointed by the County of Santa Barbara Superintendent of Education;
- v. One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county;
- vi. One member of the public appointed by the Santa Barbara Board of Supervisors; and
- vii. One member representing the employees of the former redevelopment agency appointed by the Mayor from the recognized employee organization representing the largest number of former redevelopment agency employees (full-time) employed by the successor agency at that time.

Section 5. Appointment and Term

The Members of the Board serve at the pleasure of the Member Agency that appointed them. The term for Members of the Board will expire on June 30, 2016.

Section 6. Resignation and Vacancies

A Member may resign before the end of the term to which appointed. When a seat on the Board becomes vacant, the position will be filled by the Member Agency that originally appointed the former Member. Such appointments are to take place within 60 days of the creation of the vacancy. The Governor may appoint an individual to fill a Member position that remains vacant for more than 60 days.

Section 7. Compensation

Board members shall serve without compensation or reimbursement for expenses.

ARTICLE II – OFFICERS

Section 1. Officers and Officials

The members shall elect one of their members as the chairperson and select one of their members as the vice chairperson. All Board members shall be selected pursuant to the guidelines set forth in California Health and Safety Code Section 34179. Other officials acting as its staff shall be the City Manager of the Successor Agency, the City Clerk acting as Secretary of the Board and any other employees of the Successor Agency and/or the City of Guadalupe as deemed necessary by the City Manager of the Successor Agency. The Chair and Vice-Chair shall be elected by the majority of the Board membership at the first regular meeting of the Board or as soon thereafter as possible, for a term ending on December 31, 2012, or until successors are elected. Thereafter, elections shall be held at the first meeting of each calendar year, beginning in January 2013. In the event the term of a Member elected to such office ends prior to such meeting of the Board because of resignation or removal, the Board shall elect a replacement at the next regular meeting of the Board after the end of such term, or as soon thereafter as possible.

Section 2. Chairperson

The Chair of the Board shall preside at all meetings of the Board and perform all other necessary, customary or incidental duties of this office.

Section 3. Vice Chairperson

The Vice-Chairperson shall take the place of the Chair and perform all duties of the Chair if the Chair is absent or unable to perform such duties. In the event of the absence or inability to act of both the Chair and Vice-Chair in any meeting, the remaining Members shall appoint one of the remaining Members to act as temporary Chair for such meeting.

Section 4. Attendance

A Member shall attend every regular, adjourned regular, special and adjourned special meeting of the Board unless excused by a majority of the Members in attendance at the meeting not attended by such Member, after notice to the Secretary of the Board prior to such meeting stating the reason for the absence of such Member.

Section 5. Statements of Economic Interests

All Members shall file the Statement of Economic Interests required by the Political Reform Act and the City of Guadalupe Conflict of Interest Code with the City Clerk, on the form provided by the City Clerk, at the following times:

Upon Assuming Office - Within thirty (30) days after being appointed as a Member.

Annually Thereafter - No later than April 1st of each succeeding calendar year.

Upon Leaving Office - Within 30 days after the last day in office.

The original Statement of Economic Interests shall be forwarded to the Fair Political Practices Commission, with a copy retained by the City Clerk.

Section 6. Minutes

Minutes of all Board meetings will be prepared and kept by the Secretary as part of the permanent record of the Board. Minutes approved by a majority of the members of the Board present at the meeting for which the minutes were prepared shall constitute the official record of Board activities at such meeting, and shall be forwarded to the City Council for its information. Minutes are not verbatim, but instead are intended to be a record of the essence of input received from the public and staff, actions taken and decisions made.

Section 7. Agenda

Agenda packets detailing the items of business to be discussed and containing any communication or other documentation to be presented at a meeting of the Board shall be prepared by the Secretary and delivered to the Members no less than 72 hours before such meeting. However, portions of an agenda packet can be secured by a Member prior to that time, if requested by that Member and if available. In order to be prepared for a meeting, Members shall read these packets and contact the Chair, Secretary or Staff before such meeting with any questions they then may have regarding agenda items or such meeting.