



SPECIAL MEETING

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

CITY HALL
LARGE CONFERENCE ROOM, TOP FLOOR
400 GRAND AVENUE

FRIDAY, OCTOBER 19, 2012
2:00 p.m.

NOTICE IS HEREBY GIVEN, pursuant to Section 54956 of the Government Code of the State of California, the Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency will hold a Special Meeting on Friday, the 19th day of October, 2012, at 2:00 p.m., in the Large Conference Room, Top Floor at City Hall, 400 Grand Avenue, South San Francisco, California.

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the City Clerk's Office located at City Hall. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda. The address of City Hall is 400 Grand Avenue, South San Francisco, California 94080.

In compliance with Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the South San Francisco City Clerk's Office at (650) 877-8518. Notification 48 hours in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Chairman:

Neil Cullen

Selected by:

Largest Special District of the type in H&R
Code Section 34188

Vice Chair

Denise Porterfield
Deputy Superintendent, Fiscal and Operational Services
San Mateo County Office of Education

San Mateo County Superintendent of Schools

Board Members:

Mark Addiego
Councilmember, City of South San Francisco
Alternate: Barry Nagel
City Manager, City of South San Francisco

Gerry Beaudin
Principal Planner, City of South San Francisco

Barbara Christensen
Director of Community/Government Relations,
San Mateo County Community College District

Reyna Farrales
Deputy County Manager, San Mateo County

Paul Scannell

Selected by:

Mayor of the City of South San Francisco

Mayor of the City of South San Francisco

Chancellor of California Community College

San Mateo County Board of Supervisors

San Mateo County Board of Supervisors
(Public Member)

Counsel

Craig Labadie

Advisory:

Marty Van Duyn – Assistant City Manager, City of South San Francisco
Jim Steele – Finance Director, City of South San Francisco
Steve Mattas – City Attorney, City of South San Francisco
Krista Martinelli – City Clerk, City of South San Francisco
Armando Sanchez – Redevelopment Consultant, City of South San Francisco

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA REVIEW

PUBLIC COMMENTS

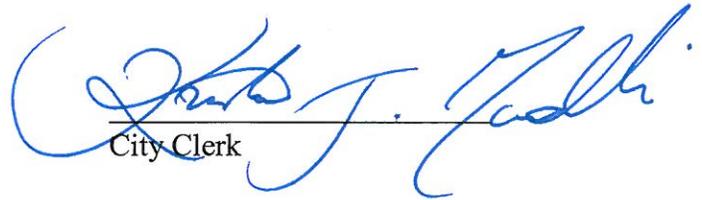
Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

MATTERS FOR CONSIDERATION

1. Resolution certifying and approving a Due Diligence Review of the Former Low and Moderate Income Housing Fund of Cash and Cash Equivalents Available for Disbursement to Taxing Entities.

2. Closed Session. Real Property Negotiations
(Pursuant to Government Code Section 54956.8)
Related to: 1 Chestnut Avenue
Negotiating Parties: Oversight Board and Successor Agency for the former South San Francisco Redevelopment Agency and Red Cart Market Inc., dba Pet Club Stores.
Agency Negotiator: Marty VanDuyn.
Red Cart Market Inc., dba Pet Club Stores Negotiator: Vic Catanzaro.

ADJOURNMENT



City Clerk



Redevelopment Successor Agency Oversight Board Staff Report

DATE: October 19, 2012

TO: Members of the Oversight Board

FROM: Jim Steele, Finance Director

SUBJECT: RESOLUTION CERTIFYING AND APPROVING A DUE DILIGENCE REVIEW OF THE FORMER LOW AND MODERATE INCOME HOUSING FUND OF CASH AND CASH EQUIVALENTS AVAILABLE FOR DISBURSEMENT TO TAXING ENTITIES

RECOMMENDATION

It is recommended that the Oversight Board approve the attached resolution which certifies the Low and Moderate Income Housing Fund Due Diligence Review.

BACKGROUND/DISCUSSION

On October 9, 2012, the Oversight Board of the South San Francisco Redevelopment Successor Agency was presented with the Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) performed by Badawi Associates. The Board heard the presentation on this item in an agendized public meeting of the Oversight Board. A period for comments or questions from members of the public was allowed at the meeting on this item, but no members of the public wished to speak. Under the terms of AB 1484, now that a 5 day public comment and review period has lapsed, the Board may certify the report for turning into the State Department of Finance (DOF) and to the County Auditor's Office. Once the DOF accepts the DDR, a total of \$27.8 million may be paid by the Successor Agency to the County for distribution to taxing entities.

FISCAL IMPACT

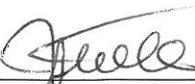
The table in the October 9th staff report summarizes Exhibit 4 in the DDR which shows changes to fund equity in the LMIHF over the past three fiscal years, from before the RDA dissolution discussions began, to the final cash balance to be distributed to taxing entities. That total is \$27.8 million.

Staff Report

Subject: Former Low and Moderate Income Housing Fund Due Diligence Review

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The complete staff report from October 9th is attached again for the Board's information, along with the DDR.

By:  _____
Jim Steele
Finance Director

Approved:  _____
Marty Van Duyn
Assistant City Manager and Director of
Economic and Community Development

Attachments: Resolution
October 9th Staff Report and Due Diligence Review

JS/MV:ed

RESOLUTION NO. _____

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO**

**RESOLUTION CERTIFYING AND APPROVING A DUE DILIGENCE REVIEW
OF THE FORMER LOW AND MODERATE INCOME HOUSING FUND OF CASH
AND CASH EQUIVALENTS AVAILABLE FOR DISBURSEMENT TO TAXING
ENTITIES**

WHEREAS, AB 1484 contains procedures for a due diligence review (DDR) of the former Low and Moderate Income Housing Funds of the former Redevelopment Agency (LMIHF); and

WHEREAS, Successor Agency staff acquired the services of a Certified Public Accountant approved by the County of San Mateo, Badawi and Associates (Badawi); and

WHEREAS, Badawi performed the DDR; and

WHEREAS, an initial public meeting was duly noticed and agendized and held on October 9, 2012 in which the DDR was presented to the Oversight Board (the Board); and

WHEREAS, a public comment period was also incorporated into the October 9 meeting, and

WHEREAS, a follow-up public meeting was held on October 19, 2012, which was more than the required five days after the initial meeting date; and

WHEREAS, the results of the DDR, once certified by the Board and ultimately by the State of California Department of Finance (DOF), will result in distribution of funds from the former LMIHF to the respective taxing entities.

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of South San Francisco does hereby certify and approve the DDR performed by Badawi and Associates dated October 1, 2012, and does hereby approve the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined in that review, and which is attached hereto and incorporated herein by reference, and the Oversight Board Chairperson is authorized to sign this Resolution. That amount to be remitted to the County for distribution is listed on Exhibit 9 of the DDR, and is \$27,802,350.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of South San Francisco at a special meeting held on 19th day of October, 2012 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Clerk

1981629.1



Redevelopment Successor Agency Oversight Board Staff Report

DATE: October 9, 2012

TO: Members of the Oversight Board

FROM: Jim Steele, Finance Director

SUBJECT: TRANSMITTAL OF FORMER LOW AND MODERATE INCOME HOUSING
FUND DUE DILIGENCE REVIEW OF CASH AND CASH EQUIVALENTS
AVAILABLE FOR DISBURSEMENT TO TAXING ENTITIES

RECOMMENDATION

It is recommended that the Oversight Board review the attached Low and Moderate Income Housing Fund Due Diligence Review. Staff will present this report at the October 9th meeting, and after a five working day public comment period, the Board will be asked at a later meeting to certify this Review.

BACKGROUND/DISCUSSION

Assembly Bill 1484 (AB 1484) lays out procedures for the verification of available fund balances from the former Redevelopment Agencies in California, and further lays out a process for those funds' review by a licensed accountant to determine the unobligated balance available from former LMIHF dollars for distribution to taxing agencies. On October 1, 2012, staff transmitted the attached Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) to the State Department of Finance, State Controller, and the County Auditor Controller as required under AB 1484. Staff had contracted with the firm of Badawi and Associates Certified Public Accountants to complete the DDR, which is attached. The following is a summary of the results.

Exhibit 9 of the DDR identifies the total assets held by the Successor Agency as of June 30, 2012 at \$30,789,162. Of that amount, \$27,802,350 in unobligated funds will be distributed to taxing agencies in November 2012. The Agency will retain the remaining \$2,986,812 in assets consisting of:

- 1) \$2,707,690 which is the unspent 1999 housing bond proceeds of \$2,381,532 and the bond reserve of \$326,158 outlined further in Exhibit 6; and
- 2) \$270,372 which includes \$210,000 of debt service principal, \$42,465 of debt service interest, and \$17,907 of accounts payable outlined further in Exhibit 7; and

Staff Report

Subject: Former Low and Moderate Income Housing Fund Due Diligence Review

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- 3) \$8,750 of Redevelopment Property Tax Trust Fund (RPTTF) already provided to the Successor Agency in FY 11-12 to cover FY 12-13 carryover expenses outlined further in Exhibit 8, that is, expenses not completed as of the end of FY 11-12.

The table below summarizes Exhibit 4 in the DDR which shows changes to fund equity in the LMIHF over the past three fiscal years, from before the RDA dissolution discussions began, to the final cash balance to be distributed to taxing entities.

	<u>\$ in Millions</u>
Beginning LMIHF Fund Equity FY 09-10	\$31.8
+ 20% Housing Set Aside Revenue in 10-11	\$7.5
- Net Operating Results of 10-11	<u>-\$0.6</u>
= Beginning Equity FY 10-11	\$38.7
+ 20% Housing Set Aside Revenue	\$7.5
-Mid Pen Loan and Loan Forgiveness for 636 El Camino	-\$8.6
+ Net Operating Results of 11-12	<u>\$0.2</u>
= Beginning Equity FY 11-12	\$37.8
- Prior Period Accounting Adjustment (1)	-\$1.9
- Less Loans Receivable Which Go to City Housing Fund	<u>-\$5.1</u>
= Ending Equity FY 11-12	\$30.8
- Assets Retained (2) for ROPS Obligations:	-\$3.0
To be Disbursed To Taxing Entities	<u>\$27.8</u>

Notes:

1. To correct for an accounting error from the prior year, in which a developer contribution of a land parcel in lieu of a cash contribution into the Housing In Lieu Fund was erroneously recorded as a Low Moderate Income Housing Fund contribution.

2. Assets retained are described above.

Staff Report

Subject: Former Low and Moderate Income Housing Fund Due Diligence Review

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No exceptions were found by the accounting firm in their due diligence review of the Successor Agency's financial records. One finding was noted. The Board may recall that initially, the Successor Agency's ROPs included provisions for paying off the 1999 Housing Bonds. When the ROPs associated with the third time period (January through June 2013) were adopted in August 2012, the Board approved the retention of those housing bonds for use for affordable housing purposes. However, the August 2012 debt service needed to be paid, which weren't on the former ROPs for the second time period, because the bonds were going to be paid off. Therefore, Agency staff is requesting that sufficient funds be retained to make that debt service payment, which the City has made with its own funding as an advance. That request is made as a finding in this DDR.

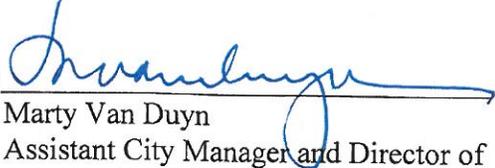
Pursuant to AB 1484, the October 9 meeting serves as the Oversight Board's introduction of the item to allow for a five day public comment period that is required to take place before the Oversight Board meeting to vote on the LMIHF DDR. AB 1484 requires the Oversight Board to transmit the approved LMIHF DDR to the State and County no later than October 15, 2012. However, due to scheduling constraints and timing limitations due to the Columbus Day holiday, that meeting will occur late, and as of the time of writing this staff report, has been tentatively scheduled for October 19, 2012.

By:



Jim Steele
Finance Director

Approved:



Marty Van Duyn
Assistant City Manager and Director of
Economic and Community Development

Attachment: LMIHF DDR

KR/JS/MV:ed

City of South San Francisco Redevelopment Agency's Successor Agency

South San Francisco, California

*Independent Accountants' Report on Applying
Agreed-Upon Procedures on the Low and
Moderate Income Housing Fund of the RDA
Successor Agency in Accordance with
California Assembly Bill No. 1484*



**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES ON THE
LOW AND MODERATE INCOME HOUSING FUND OF THE RDA SUCCESSOR AGENCY IN
ACCORDANCE WITH CALIFORNIA ASSEMBLY BILL NO. 1484**

To the Oversight Board of
the City of South San Francisco Redevelopment Agency’s Successor Agency
South San Francisco, California

We have performed the procedures enumerated below, which were agreed to by the City of South San Francisco Redevelopment Agency’s Successor Agency (Successor Agency), solely to assist you in meeting the requirement of the due diligence review of the Low and Moderate Income Housing Fund of the Successor Agency, as required by the California Assembly Bill No. 1484. The Successor Agency’s management is responsible for all schedules and exhibits prepared for this due diligence review. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings are described below:

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 in Exhibit 1.

Findings: No exceptions were noted as a result of our procedures.

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. The State Controller’s Office review has not occurred, therefore we will 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, determine that the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency’s enforceable obligations or other legal requirements. See Exhibit 2 for the listing.

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- 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, determine that the Successor Agency described the purpose of the transfer and described in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. See Exhibit 3 for the listing.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer.

Findings: No exceptions were noted as a result of our procedures.

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

Findings: Procedures not applicable. There were no transfers made to public agencies or to private parties.

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the City of South San Francisco Redevelopment Agency's Successor Agency
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- 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 for the following fiscal periods: June 30, 2010; June 30, 2011, January 31, 2012 and June 30, 2012.
 - 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 by comparing to the Successor Agency's accounting records.
 - 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.

Findings: No exceptions were noted as a result of our procedures. See Exhibit 4.

- 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. For 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. See Exhibit 5 for the listing.

Findings: No exceptions were noted as a result of our procedures.

- 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.
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

Findings: No exceptions were noted as a result of our procedures.

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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.
- iv. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances, and verify the existence of language restricting the use of the balances.

Findings: Procedures 6B-i,ii,iii were not performed because there were no applicable asset balances that are 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.
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances, and verify the existence of language restricting the use of the balances.

Findings: Procedures were not performed because there were no applicable asset balances that were 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, we 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 is indicated in the report.

Findings: The schedule is attached as Exhibit 6.

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.

To the Oversight Board of
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- 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.

Findings: Procedures 7A-D were not performed because there were no applicable assets as of June 30, 2012.

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.

Findings: Management has represented to us that they do not have any dedicated or restricted assets balances which need to be retained to satisfy enforceable obligations. No procedures performed.

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the City of South San Francisco Redevelopment Agency's Successor Agency
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B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period from July 1, 2012 through December 31, 2012.
- ii. 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.
- iii. For the forecasted annual revenue:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Findings: The Successor Agency has noted that assets must be retained to fund future obligations for debt service payments which were not included on the Recognized Enforceable Obligation Payment Schedules for the period from January 1, 2012 through December 31, 2012.

Successor Agency Response: Under the terms of South San Francisco's ROPS I and II, the Successor Agency originally intended to retire the outstanding 1999 Housing Bonds; ROPS I and II reflected paying off those bonds. Pursuant to the new provisions of AB 1484 (Sections 34176(g)(1)(A) and 34176(g)(2), the South San Francisco Successor Agency Oversight Board on August 14, 2012 approved ROPS III, which allows the Agency to retain unspent bond proceeds to fund needed affordable housing units in South San Francisco (line # 77 on ROPS III). However, the debt service payment for those bonds that became immediately due on September 1, 2012 did not appear on ROPS II, due to the timing of ROPS II's adoption. Therefore, the Successor Agency is seeking approval to retain the \$252,465 to pay for the September 1, 2012 debt service, since that debt service became an enforceable obligation when ROPS III was adopted on August 14, 2012. (The City has already made the September 1 debt service payments by advancing cash to the Successor Agency for that purpose).

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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 disclosed major assumptions associated with the projections.
- iii. Obtain the assumptions for the forecasted other general purpose revenues and disclosed major assumptions associated with the projections.

Findings: Management has represented to us that they do not have any outstanding bond issues. No procedures performed.

D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.

- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii. Include the calculation in the AUP report.

Findings: See Exhibit 7 for procedures performed.

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, verify the Successor Agency added 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.

Findings: Management has represented to us that they believe cash balance as of June 30, 2012 do 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. No exceptions were noted as a result of our procedures. See Exhibit 8.

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the City of South San Francisco Redevelopment Agency's Successor Agency
South San Francisco, California
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10. Obtain a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation have been agreed to the results of the procedures performed in each section above. The schedule included 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 has been agreed to evidence of payment. Schedule was attached as Exhibit 9.

Findings: No exceptions were noted as a result of our procedures.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to us and the data presented in the report or in any attachments to the report. Determine that management representations included 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.

Findings: Management provided a representation letter on October 1, 2012.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying schedules attached to this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the State of California Department of Finance, the Successor Agency Oversight Board and management of the Successor Agency and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Badawi and Associates
Certified Public Accountants
Oakland, CA
October 1, 2012

City of South San Francisco Redevelopment Agency's Successor Agency
Exhibit 1- Listing of All Assets Transferred From the Former Redevelopment Agency (LMIHF) to the Successor Agency
on February 1, 2012

		Fund
		862
<u>Assets</u>		
11101	Cash and Investments	\$ 28,297,017
11105	Restricted Cash	2,373,122
11110	Cash with Fiscal Agent	318,524
11116	Cash Premium/Discount	(289,627)
11117	Cash Unrealized Gains/Losses	395,860
	Loans Receivable	5,107,950
11210	Accrued Interest Receivable	137,310
	Total Assets	\$ 36,340,156

City of South San Francisco Redevelopment Agency's Successor Agency
 Exhibit 2- Listing of All Transferred from the Former Redevelopment Agency (LMIHF) to the City of South San Francisco
 from January 1, 2011 through January 31, 2012

Capital Assets

Transfer Out

<u>Date</u>	<u>Asset #</u>	<u>Description</u>	<u>Book Value</u>	<u>Purpose of the Transfer</u>
March 2, 2011	019839	APN 012145430 address 714-718 Linden 4-plex- Building	\$ 782,342	The Agency in March 2011 transferred capital assets from the Redevelopment Agency to the City. The Agency entered into four Disposition and Development Agreement with the City to transfer these properties. These assets were transferred from the former Redevelopment Agency to the City based on California Redevelopment Law.
	020556	APN 012311250 address 314 Miller Single Family- Building	129,394	
	019077	APN 012333050 address 339-341 Commercial Ave 4-plex- Land	804,086	
	019765	APN 012311240 address 312 Miller - 313 Tamarack 4-plex- Land	717,183	
	019788	APN 012241230 address 630 Baden land under 125 unit Magnolia Senior Apartments- Land	586,309	
	019806	APN 013232170 address 380 Alta Vista single family- Land	683,080	
	020555	APN 012311250 address 314 Miller Single Family- Land	544,815	
			<u>\$ 4,247,209</u>	
January 31, 2012	020762	APN 014160040 address 636 El Camino land under 109 unit Affordable Housing over 4,600 sqft of 1st commercial space	<u>\$ 4,470,000</u>	Per AB 1484, Housing Assets are to be retained by the Housing Successor Agency, which the City has elected to become.

City of South San Francisco Redevelopment Agency's Successor Agency
 Exhibit 3- Listing of All Transferred from the Former Redevelopment Agency (LMIHF) to the City of South San Francisco
 Period of February 1, 2012 through June 30, 2012

Transfer Out

<u>Account</u>	<u>Description</u>	<u>Amount</u>	<u>Purpose of the Transfer</u>
630-0000-9241	Transfer of housing loans to the new Housing Successor Agency	\$ 5,107,950	Housing loans are considered Housing Assets, and should be transferred to the Housing Successor
630-0000-9460	Transfer to RDA Successor Agency Debt Service Fund for '99 Revenue Bond debt service payment	252,180	Debt service payments for 99 Revenue Bond are considered enforceable obligations
	Transfer to RDA Successor Agency funds for the reserve account	96,245	Reserve fund transfers to other RDA funds- interfund (RDA) transfers
	Total Transfer Out	\$ 5,456,375	

City of South San Francisco Redevelopment Agency's Successor Agency
 Exhibit 4-Summary of the Financial Transactions of the Redevelopment Agency and the Successor Agency

	LMIHF Redevelopment Agency 12 Months Ended June 30, 2010 Fund 630 and 460	LMIHF Redevelopment Agency 12 Months Ended June 30, 2011 Fund 630 and 460	LMIHF Redevelopment Agency 7 Months Ended January 31, 2012 Fund 862 and 630	LMIHF Successor Agency 5 Months Ended June 30, 2012 Fund 862 and 630
Assets (modified accrual basis)				
Cash and investments	\$ 25,141,735	\$ 27,962,924	\$ 28,297,017	\$ 28,095,703
Receivables:	-	-	-	-
Accounts	-	9,000	-	-
Accrued interest	146,758	137,310	137,310	237,567
Loans receivable	9,248,524	5,090,617	5,107,950	-
Restricted cash and investments	2,721,703	2,755,935	2,373,122	2,381,532
Land held for redevelopment	1,900,000	1,900,000	-	-
Cash with fiscal agent	-	-	318,524	326,158
Cash unrealized gain/premium/discount	-	-	106,233	(251,798)
Total assets	\$ 39,158,720	\$ 37,855,786	\$ 36,340,156	\$ 30,789,162
Liabilities (modified accrual basis)				
Accounts payable	\$ 25,268	\$ 4,106	\$ 7,726	\$ 17,907
Accrued expenses	27,055	27,055	3,575	-
Deferred revenue	50,000	50,000	-	-
Advance from the City	346,748	-	-	-
Total liabilities	449,071	81,161	11,300	17,907
Equity	38,709,649	37,774,625	36,328,855	30,771,255
Total liabilities and equity	\$ 39,158,720	\$ 37,855,786	\$ 36,340,155	\$ 30,789,162
Total revenues	\$ 1,008,083	\$ 846,115	\$ 860,879	\$ 28,453
Total expenditures	1,577,034	4,848,403	406,649	133,253
Total transfers/extraordinary item	7,477,922	3,067,264	-	30,876,055
Net change in equity	6,908,971	(935,024)	454,230	30,771,255
Beginning equity:	31,800,678	38,709,649	37,774,625	-
Prior period adjustment (1)	-	-	(1,900,000)	-
Ending equity:	\$ 38,709,649	\$ 37,774,625	\$ 36,328,855	\$ 30,771,255
Other information:				
Capital assets as of end of year	\$ 9,405,603	\$ 4,470,000	\$ -	\$ -
Long-term debt as of end of year	\$ 2,120,000	\$ 1,925,000	\$ 1,720,000	\$ 1,720,000

(1) Correction to a prior year's financials wherein a developer's land contribution to the In Lieu Housing Fund was incorrectly shown as a Redevelopment transaction.

City of South San Francisco Redevelopment Agency's Successor Agency
Exhibit 5- Listing of All Assets of the Low and Moderate Income Housing Fund as of June 30, 2012

	Redevelopment Agency 5 Months Ended June 30, 2012 Fund 862	
	<hr/>	
Assets (modified accrual basis)		
Cash and Investments	\$	28,095,703
Receivables:		
Accrued interest		237,567
Restricted cash and investments		2,381,532
Cash with fiscal agent		326,158
Cash Unrealized Gain/premium/discount		(251,798)
Total Assets	\$	30,789,162
		<hr/> <hr/>

City of South San Francisco Redevelopment Agency's Successor Agency
 Exhibit 6- Listing of Asset Balances that are Restricted
 as of June 30, 2012

Restricted Assets as of June 30, 2012

Unspent Bond Proceeds

Description	Amount	Period Restricted
1999 Housing Revenue Bond Unspent bond proceeds	\$ 2,381,532	The balances of unspent bond proceeds are restricted until the funds are expended for their intended purpose. ROPS 3 contains authorization by the Oversight Board to use all remaining unspent bond proceeds for affordable housing
1999 Housing Revenue Bonds Reserve Fund	326,158	This balance is the reserve fund required to be maintained based on the bond covenants and will remain until the bonds are paid off.
	<u>\$ 2,707,690</u>	

Total Projected ROPS Annual Spending Requirements from Fund 862 and Projected Revenue

Item #	Project Name / Debt Obligation	Contract/ Agreement Execution Date	Contract/Agmt Termination Date	Payee	Description/Project Scope	Project Area	FY 12-13		FY 13-14		FY 14-15		FY 15-16		FY 16-17		FY 17-18		FY 18-19		Totals	
							Expenses	Forecasted Revenues	Expenses	Forecasted Revenues	Expenses	Forecasted Revenues	Expenses	Forecasted Revenues	Expenses	Forecasted Revenues	Expenses	Forecasted Revenues	Expenses	Forecasted Revenues		Expenses
8	Debt Serv Principal Hsg Rev Bonds	1999	9/1/2018	Bank of New York	1999 Housing Revenue Bonds	Merged	210,000	-	220,000	220,000 (RPTTF)	230,000	230,000 (RPTTF)	245,000	245,000 (RPTTF)	255,000	255,000 (RPTTF)	275,000	247,467 (RPTTF) & 27,533 (Restricted)	285,000	285,000 (Restricted)	1,720,000	
9	Debt Serv Interest Hsg Rev Bonds	1999	9/1/2018	Bank of New York	1999 Housing Revenue Bonds	Merged	79,995	37,530 (RPTTF)	69,780	69,780 (RPTTF)	58,750	58,750 (RPTTF)	46,875	46,875 (RPTTF)	34,375	34,375 (RPTTF)	21,125	21,125 (RPTTF)	7,125	7,125 (Restricted)	318,025	
15	Bond Admin/Disc Costs Hsg Bonds	1999	9/1/2018	Bank of New York/Willdan	Costs to administer the housing bonds	Merged	2,500	2,500 (RPTTF)	2,500	2,500 (RPTTF)	2,500	2,500 (RPTTF)	2,500	2,500 (RPTTF)	2,500	2,500 (RPTTF)	2,500	2,500 (RPTTF)	2,500	2,500 (Restricted)	17,500	
38	C.I.D. Housing Access	4/13/11	grantee must incur expenses by 5/31/12	C.I.D. Housing Access	Grant to non-profit	Merged	5,722	-	-	-	-	-	-	-	-	-	-	-	-	-	5,722	
39	Neigh Servs. Ctr.(NPNSC) HH	4/13/11	grantee must incur expenses by 5/31/12	Neigh Servs. Ctr.	Grant to non-profit	Merged	9,610	-	-	-	-	-	-	-	-	-	-	-	-	-	9,610	
47	Siteke Counseling Center	4/13/11	grantee must incur expenses by 5/31/12	Siteke Counseling Center	Grant to non-profit	Merged	2,575	-	-	-	-	-	-	-	-	-	-	-	-	-	2,575	
48	Mgmt. of grants in rows 38-47 above	4/13/11	12/31/2012	Staff costs	Soft project management costs	Merged	8,750	8,750 (Restricted)	-	-	-	-	-	-	-	-	-	-	-	-	8,750	
32	Two Housing Replacement Units	5/13/2009	June 2013	Future Developer	Replacement housing obligation	Merged	900,000	900,000 (RPTTF)	-	-	-	-	-	-	-	-	-	-	-	-	900,000	
33	Two Housing Replacement Units	5/13/2009	June 2013	Legal/Staff costs	Soft project management costs	Merged	16,578	16,578 (RPTTF)	9,399	9,399 (RPTTF)	-	-	-	-	-	-	-	-	-	-	25,977	
77	1999 Housing Bond Proceeds	1999	9/1/2018	Future Developer	To be used on low/mod housing dev	Merged	2,381,532	2,381,532 (Restricted)	-	-	-	-	-	-	-	-	-	-	-	-	2,381,532	
Totals							3,617,262	3,346,890	301,679	301,679	291,250	291,250	294,375	294,375	291,875	291,875	298,625	298,625	294,625	294,625	5,389,690	
Total amount to be retained							270,372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	270,372

Expenditure Assumptions:

- The obligations for rows 32, 33, and 77 will be completed this fiscal year with the exception of some minor staff/legal costs that may be incurred in FY 13-14.
- The debt service obligation for rows 8, 9, and 15 will continue based on the existing payment schedule until the debt is paid off effective 9/1/2018.
- The final grant payments made to grantees for rows 38, 39, and 47 were made on July 5, 2012 and those payments are reflected as accounts payable at the end of June 2012.
- Row 48 is the estimate of final expenditures to manage the grants from the LMHF.
- For fiscal year 2012-2013, items number 8 and 9 were not included on ROPS II.

Revenue Assumptions:

- On August 14, 2012, through the approval of ROPS III, the Oversight Board reversed an ROPS I decision to payoff the 99 housing bonds. Therefore, the \$1,950,000 payoff reserve for this in account 862-27462 will not longer be needed and is assumed to be zeroed out through the LMHF due diligence process.
- Regarding the debt service in rows 8 and 9 - As noted in revenue assumption footnote 1 above, the Oversight Board through ROPS I decided to payoff the 99 housing bonds. Therefore, no debt service RPTTF funding was requested on ROPS II. However, the Oversight Board changed the decision to payoff the 99 housing bonds. ROPS III because of the new language in AB 1484 that allowed for the retention of unspent bond proceeds. Therefore, the debt service payments made in August of 2012 totaling \$252,465 have no RPTTF funding and require these asset balances be retained.
- The expenses for 38, 39, and 47 were included on ROPS I and were assumed to be paid off with reserves no later than June 30, 2012, however, the checks were issued on July 5, 2012 and due to this timing issue, no RPTTF was requested in ROPS II, and therefore these asset balances must be retained.
- On August 14, 2012, through the approval of ROPS III, the Oversight Board approved use of the unspent bond proceeds in 862-11105 and row 77 relies on that funding.
- The bond reserve required by the bond covenants of \$326,158.28 in 862-11110 will be used to offset final debt service payment.
- Row 48 expense was shown on ROPS II and the Successor Agency received \$8,750 in RPTTF from the County which was deposited in 11-12 to fund this expense that will be incurred in 12-13.

Approved by the Oversight Board for the Former South San Francisco Redevelopment Agency on May 8, 2012 by 6-0 Vote

APPROVED RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JULY THROUGH DECEMBER 2012
 Per Health and Safety Code Section 34177

Id #	New #	Project Name / Debt Obligation	Payee	Description	(For Info Only) Total Estimated Remaining Debt or Obligation as of July 1, 2012	(For Info Only) Estimated Total Due During Fiscal Year 2012-13	Estimated New Funding Needs by Month						Cash balance that needs to be retained		
							Jul	Aug	Sept	Oct	Nov	Dec		Six Month Total	
4)	1)	Debt Serv Principal Tax Alloc Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	see note 1	1,490,000.00	-	1,490,000.00	-	-	-	-	\$ 1,490,000.00		
5)	2)	Debt Serv Interest Tax Alloc Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	see note 1	3,030,181.26	-	1,501,121.88	-	-	-	-	\$ 1,501,121.88		
75)	3)	Fund Escrow Acct to defease 2006 Tax Allocation Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	see note 1	100,000.00	-	50,000.00	-	-	-	-	\$ 50,000.00		
18)	4)	Oyster Point Ventures DDA	Oyster Pt Ventures, LLC	Section 3.4.1 of DDA-infrastr. required	23,463,230.00	6,000,000.00	(note \$6m currently held in reserve-this will increase it to \$9m)						3,000,000.00	\$ 3,000,000.00	
19)	5)	Oyster Point Ventures DDA	Various contractors/staff	Secs. 4.5 clog/escrow; 5.2 environ indemnification; 5.3 methane monitoring	20,100,000.00	-	-	-	-	-	-	-	\$ -		
20)	6)	Oyster Point Ventures DDA	Legal/Staff costs	Soft project management costs	1,396,895.00	36,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	\$ 18,000.00		
21)	7)	Harbor District Agreement	Harbor District	Secs. 6.1 imprvmnts; 9 cost reimbrsmnt.	2,600,000.00	2,600,000.00	600,000.00	-	-	1,000,000.00	-	1,000,000.00	\$ 2,600,000.00		
22)	8)	Harbor District Agreement	Harbor District	Secs. 5.0 lease rev; 7.0 temp. office	1,793,248.00	-	-	-	-	-	-	-	\$ -		
23)	9)	Harbor District Agreement	Legal/Staff costs	Soft project management costs	849,329.84	36,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	\$ 18,000.00		
30)	10)	Train Station Imprvmnts Phase 2	Various contractors	Site remediation per Cal Trans Agrmt.	663,000.00	-	-	-	-	-	-	-	\$ -		
11)	11)	Train Station Imprvmnts Phase 2	Legal/Staff costs	Soft project management costs	149,841.93	25,000.00	3,666.67	3,666.67	3,666.67	3,666.67	3,666.67	3,666.65	\$ 22,000.00		
12)	12)	Two Housing Replacement Units	Future Developer	Replacement housing obligation	900,000.00	-	-	-	-	-	-	-	\$ -		
13)	13)	Two Housing Replacement Units	Legal/Staff costs	Soft project management costs	19,982.70	9,516.00	793.00	793.00	793.00	793.00	793.00	793.00	\$ 4,758.00		
16)	14)	Gateway OPA	Staff Costs	Soft project management costs	284,713.00	-	-	-	-	-	-	-	\$ -		
18)	15)	Management of Prior Year Grants	Staff costs	Soft project management costs	8,750.00	8,750.00	3,000.00	2,750.00	2,000.00	1,000.00	-	-	\$ 8,750.00	8,750.00 [a]	
19)	16)	Station Area/Planning LU Program	Staff Costs	Match funding for State grant (101102)	131,561.86	60,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	\$ 30,000.00		
1)	17)	Buon Gusto Ristorante Loan	Ristorante Buon Gusto Inc	Loan for commercial expansion project	650,000.00	-	-	-	-	-	-	-	\$ -		
3)	18)	Reserve for Existing Claims	Claimants	Reserves for costs for existing litigation	7,229,724.93	29,724.93	9,908.31	9,908.31	9,908.31	-	-	-	\$ 29,724.93		
9)	19)	Maintenance of Non-Hsg Properties	Various contractors	Rehab, repair, maintenance, & utilities	3,794,097.94	142,680.00	11,890.00	11,890.00	11,890.00	11,890.00	11,890.00	11,890.00	\$ 71,340.00		
0)	20)	Maintenance of Non-Hsg Properties	Legal/Staff costs	Soft project management costs	1,571,261.71	163,464.00	13,622.00	13,622.00	13,622.00	13,622.00	13,622.00	13,622.00	\$ 81,732.00		
7)	21)	Property Disposition Costs	Various contractors	Initial enviro. testing, noticing, listing costs	2,631,100.00	120,000.00	20,000.00	20,000.00	20,000.00	-	-	-	\$ 60,000.00		
8)	22)	Property Disposition Costs	Legal/Staff costs	Soft project management costs	416,378.33	304,000.00	45,000.00	40,000.00	30,000.00	30,000.00	5,000.00	2,000.00	\$ 152,000.00		
1)	23)	Accrued PERS Pension Obligations	PERS	Costs accrued to date	875,712.00	875,712.00	-	-	-	-	-	-	\$ -		
2)	24)	Accrued Retiree Health Obligations	Kaiser/Blue Shield	Costs accrued to date	2,392,780.00	2,392,780.00	-	-	-	-	-	-	\$ -		
Note 1: Continuing to fund the escrow acct. to defease 2006 Tax Alloc Bonds at first redemption date of 9/1/16. There will be approx. \$50 million in this acct. as of July 1, 2012.															
Note 2: Payment source for six month period is Redevelopment Property Tax Trust Fund revenues (except a portion of row 1 will be funded with interest and rental earnings as shown below)															
Totals - This Page						\$ 71,921,607.24	\$ 17,423,808.19	\$ 718,879.98	\$ 3,154,751.86	\$ 102,879.98	\$ 1,071,971.67	\$ 45,971.67	\$ 4,042,971.65	\$ 9,137,426.81	
Total Surplus (Deficit) Carryover from prior ROPS - NOT AVAILABLE AT THIS TIME															
Deduction for Estimated Interest and Rental Earnings (will be used to fund a portion of row 1 debt serv.)															
Subtotal - Net New Funding Needs Prior to Admin Cost (3% max admin cost allowance based on this)														(152,100.00)	
Administrative Cost Request (see Exhibit B for details)														8,985,326.81	
Total Estimated New Funding Needs						\$ 71,921,607.24	\$ 17,423,808.19	\$ 718,879.98	\$ 3,154,751.86	\$ 102,879.98	\$ 1,071,971.67	\$ 45,971.67	\$ 4,042,971.65	\$ 9,254,886.81	

[a] Needs to be retained because these expenses were paid for in fiscal 2013, but we received the advance in fiscal 2012.

3% admin = 269,559.80

City of South San Francisco Redevelopment Agency's Successor Agency
Exhibit 9-Summary of Balances Available for Allocation to Affected Taxing Entities
Period ended 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 (procedure 5)	\$	30,789,162
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 (procedure 6)		(2,707,690)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		(270,372)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		(8,750)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	\$	<u>27,802,350</u>