

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Community Development – Approve the Due Diligence Review Report of the former Redevelopment Agency of the City of Torrance.

RECOMMENDATION

Recommendation that the Oversight Board adopt a RESOLUTION approving the Due Diligence Review Report of the former Redevelopment Agency of the City of Torrance to be forwarded to the County Auditor Controller, State Controller and Department of Finance pursuant to ABX1-26 and AB 1484.

BACKGROUND AND ANALYSIS

According to State Assembly Bill 1484 (AB 1484) and the California Health and Safety Code Section 34179.5, each successor agency shall have conducted a Due Diligence Review (DDR) of all fund and account balances other than the Low and Moderate Income Housing Fund (LMIHF), which was the subject of the first DDR. The purpose of the report is to determine the unobligated balances available to be transferred to taxing entities as part of the dissolution of former Redevelopment Agency of the City of Torrance.

As with the first DDR which was brought before the Oversight Board on October 3, 2012, the timeline set forth in AB 1484 requires the results of this review to be submitted to the Oversight Board to the City of Torrance as Successor Agency to the Redevelopment Agency of the City of Torrance (Oversight Board), County Auditor-Controller, State Controller, and Department of Finance (DOF) by December 15, 2012 for their review. The Oversight Board must review, approve, and transmit the approved DDR to the DOF and County Auditor Controller by January 15, 2013 following a public comment session to consider the report no less than five business days prior to the meeting at which the DDR will be approved. The initial review and public comment was held on December 13, 2012 at 2 PM. One member from the public addressed the Oversight Board regarding the timeline for the liquidation of real properties owned by the former Redevelopment Agency of the City of Torrance; however, no public comment was received pertaining to the unobligated cash balances to be remitted to the Los

Angeles County Auditor-Controller. Staff addressed the comments by obtaining the person's contact information and referring him to the future property management and liquidation plan that will be completed early next year.

Staff recommends that the Oversight Board adopt a RESOLUTION approving the Due Diligence Review Report as required by ABX1-26 and AB 1484. The report will then be forwarded to DOF, State Controller and County Auditor-Controller.

Respectfully submitted,

Brian Sunshine
Assistant to the City Manager

By *Carolyn Chun*
for Carolyn Chun
Senior Planning Associate

CONCUR:

Brian K. Sunshine
for Brian K. Sunshine
Assistant to the City Manager

Ken Flewellyn
Ken Flewellyn
Assistant Finance Director

NOTED:

LeRoy J. Jackson
LeRoy J. Jackson
City Manager

Attachment:

- A) Report on the Due Diligence Review
- B) RESOLUTION OB2013-01



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Oversight Board of the Successor Agency of the former Redevelopment Agency
of the City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503

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

We have performed the procedures enumerated below, which were agreed to by the Successor Agency of the former Redevelopment Agency of the City of Torrance (Successor Agency), the California Department of Finance, the California State Controller's Office, and the County Auditor-Controller's Office, solely to assist you in complying with the requirement for a due diligence review of the non-housing funds of the former Redevelopment Agency and the Successor Agency pursuant to Section 34179.5(c) of the California Health and Safety Code. Management of the Successor Agency is responsible for the Successor Agency's compliance with the California Health and Safety Code. This engagement to apply agreed-upon procedures was performed in accordance with the attestation standards established by the *American Institute of Certified Public Accountants* for such engagements. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the specified items. 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.

Our procedures and results were as follows:

1. We obtained from the Successor Agency a listing of all assets (at their recorded book values) that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. We agreed the amounts on this listing to account balances established in the accounting records (modified accrual basis) of the Successor Agency.

Results: On February 1, 2012, \$12,978,798 of redevelopment assets were transferred to the Successor Agency. See additional asset detail on EXHIBIT B, for the redevelopment agency, 7 months ended January 31, 2012. Of the assets transferred \$3,111,101 relate to non-housing funds.

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. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

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- Results: The State Controller's Office has not completed the review of transfers. Per EXHIBIT C, non-housing funds transferred \$983,844 of property to the City of Torrance for the purpose of continuing redevelopment and housing activities. Cash of \$13,507 was transferred to the City for future low and moderate income needs and equipment replacement.
- b. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.

Results: The City of Torrance was designated as the Housing Successor Agency as of January 10, 2012 per the Oversight Board. The City officially transferred non-housing property of \$983,844 to the City of Torrance as the Housing Successor Agency as of February 1, 2012 for the purpose of continuing redevelopment and housing activities in the City of Torrance.

- c. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

Results:

- On March 8, 2011, land with a net book value of \$983,844 was transferred to the City of Torrance for the purpose of continuing housing and redevelopment activities per City Council item 12C and approved RDA resolution.
 - For the transfer of \$8,978 made between January 1, 2011 and June 30, 2011, there is no legal document forming the basis for the transfer. However, the transfer was made prior to the dissolution of the redevelopment agency.
 - For the transfer of \$4,138 made on July 1, 2011 there is no legal document forming the basis for the transfer. However, the transfer was made prior to the dissolution of the redevelopment agency.
 - For the transfer of \$391 made in monthly allocations from January 1, 2011 to January 31, 2012 there is no legal document forming the basis for the transfer. However, the transfer was made prior to the dissolution of the redevelopment agency.
 - For the period January 1, 2011 to June 30, 2012, the Industrial Debt Service Fund of the former redevelopment agency returned to the City \$1,596,434 of General Fund sales tax revenue that had been previously recorded in the Industrial Debt Service Fund. These funds represent a secondary pledge with respect to the industrial development bonds and are annually returned to the City after the satisfaction of the annual debt service requirements of these bonds. The City has excluded this return of General Fund sales tax revenues from the transfers that are listed in EXHIBIT A. These transfers represent a return of General Fund sales tax revenues to the City, rather than a transfer of redevelopment funds.
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:

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- a. We obtained 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.

Results: The City represented that no transfers were made from the non-housing funds to any other public agency or private parties for the period January 1, 2011 through January 31, 2012.

- b. We obtained 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.

Results: The City represented that no transfers were made from the non-housing funds housing fund to any other public agency or private parties for the period February 1, 2012 through June 30, 2012.

- c. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

Results: The City represented that no transfers were made to any other public agency or private parties.

4. We obtained 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 California State Controller's Office's procedures for the fiscal year ended June 30, 2010, the fiscal year ended June 30, 2011, the period July 1, 2011 through January 31, 2012, and the period February 1, 2012 through June 30, 2012. For each period presented, we determined that the total of revenues, expenditures, and transfers accounted fully for the changes in equity from the previous fiscal period. We compared amounts in the schedule relevant to the fiscal year ending June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

Results: There were no exceptions as a result of our procedures. The schedule is presented at EXHIBIT B.

5. We obtained from the Successor Agency a listing of all assets of the Non-Housing Funds as of June 30, 2012. We also agreed the assets so listed to recorded balances reflected in the accounting records of the Successor Agency.

Results: The listing of assets is included in EXHIBIT B. The listed assets agree with the balances recorded in the accounting records of the Agency without exception.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for specific purposes and performed the following procedures:

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a. Unspent bond proceeds:

- i. We obtained 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.

Results: The non-housing funds as of June 30, 2012 had \$2,933,610 of unspent bond proceeds. These amounts were held by the bond trustee in reserve and debt service accounts. We obtained the cash with fiscal agent confirmations directly from the Bond Trustee and agreed to balances in the accounting records without exception. All reserves are required per review of the Tax Allocation Bonds trust indentures. All Tax Allocation Bonds were approved on the ROPS. See Exhibit D.

b. Grant proceeds and program income that are restricted by third parties:

- i. We obtained the Successor Agency's computation of the restricted balances.
- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.
- iii. We obtained from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances.

Results: There are no non-housing grant proceeds or program income.

c. Other assets considered to be legally restricted:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.
- iii. We obtained from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

Results: There are no other assets considered to be legally restricted.

- d. We attached the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, we indicated in the report the period of time for which the restrictions are in effect.

Results: This procedure is not applicable.

7. We obtained 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 ascertained 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.
 - a. If the assets were listed at purchase cost, we traced the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and noted any differences.
 - b. For any differences noted in 7(a), we inspected evidence of disposal of the asset and ascertained that the proceeds were deposited into the Successor Agency trust fund.
 - c. If the assets listed at 7(a) were listed at recently estimated market value, we inspected the evidence (if any) supporting the value and noted the methodology used.

Results: Capital assets were reconciled to RDA audited financial statements as of June 30, 2011 and the accounting records of the Successor Agency as of June 30, 2012.

8. We performed the following procedures:
 - a. For assets balance needed to be retained to satisfy enforceable obligations, we obtained 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 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 resource balance in question.
 - ii. We compared all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - 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 attached as an exhibit to the report the listing obtained from the Successor Agency. We also identified 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.

Results: Not applicable.

- b. If 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, we obtained from the Successor Agency a schedule of approved enforceable obligations that included a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and performed the following procedures:

- i. We compared the enforceable obligations to those that were approved by the California Department of Finance.
- ii. We compared the forecasted annual spending requirements to the legal document supporting each enforceable obligation by obtaining from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues, we obtained the assumptions for the forecasted annual revenues and disclosed the major assumptions associated with the projections.

Results: Not applicable.

- c. If projected property tax revenues and other general purpose revenues that were received by the Successor Agency are insufficient to pay bond debt service payments, we obtained from the Successor Agency a schedule demonstrating this insufficiency and applied the following procedures to the information reflected in that schedule:
 - i. We compared the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. We obtained the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. We obtained the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results: Not applicable.

- d. If procedures, A, B, or C were performed, we calculated the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures:
 - i. We combined 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. We reduced the amount of total resources available by the amount forecasted for the annual spending requirements.

Results: Not applicable.

- 9. For cash balances as of June 30, 2012 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, we obtained 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.

Results: Not applicable.

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10. We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

Results: See EXHIBIT A.

11. We obtained a representation letter from 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.

Results: Required representations were obtained from management.

This letter is intended solely for the information and use of the Oversight Board of the Successor Agency of the former Redevelopment Agency of the City of Torrance, the Successor Agency of the former Redevelopment Agency of the City of Torrance, the California Department of Finance, the California State Controller's Office, and the County of Los Angeles's Auditor-Controller's Office and is not intended to be and should not be used by anyone other than those specified parties.

Angela Holman Melan A.C.

Irvine, California
December 11, 2012

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
 Summary of Balances Available for Allocation to Affected Taxing Entities
 6/30/2012

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of nonhousing assets held by the successor agency as of June 30, 2012 (procedure 5)	\$ 4,023,533	<i>See Exhibit B1</i>
Add back nonhousing assets transferred to the City of Torrance (procedures 2 and 3)	997,351	<i>See Exhibit C</i>
Less legally restricted unspent debt proceeds (procedure 6)	(2,933,610)	<i>See Exhibit D</i>
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(983,844)	<i>See Exhibit C</i>
Less the true up payment made to the County Auditor-Controller in July 2012 to correct for the over distribution of funds made by the County earlier in the year	(879,393)	
Less RPTTF funds received in June 2012 to fund ROPS payments for July 2012 through December 2012	<u>(1,691,525)</u>	
Amount to be remitted to county for disbursement to taxing entities	<u>\$ (1,467,488)</u>	

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
Summary of Financial Transactions
6/30/2012

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012 From C-1.1	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Pooled cash and investments	\$ 9,269,183	\$ 8,110,889	\$ 7,254,190	\$ 8,138,578
Cash with fiscal agent	2,948,318	2,931,155	2,927,789	2,933,610
Accrued interest receivable	80,523	27,704	-	-
Due from other governments	919,228	1,515,824	-	-
Due from other funds	-	-	923,094	923,094
Advances to other funds	1,633,409	1,873,725	1,873,725	1,873,725
Other prepayments	3,514	-	-	3,724
Total Assets	\$ 14,854,175	\$ 14,459,297	\$ 12,978,798	\$ 13,872,731
Liabilities (modified accrual basis)				
Accounts payable	\$ 7,200	\$ 11,601	\$ 442	\$ 135
Due to other governments	1,109,548	-	-	-
Due to other funds	-	1,526,144	923,094	923,094
Advances to other funds	1,633,409	1,873,725	1,873,725	1,873,725
Total Liabilities	\$ 2,750,157	\$ 3,411,470	\$ 2,797,261	\$ 2,796,954
Equity	12,104,018	11,047,827	10,181,537	11,075,777
Total Liabilities + Equity	\$ 14,854,175	\$ 14,459,297	\$ 12,978,798	\$ 13,872,731
Total Revenues:	\$ 12,662,554	\$ 12,820,941	\$ 4,224,230	\$ 1,706,215
Total Expenditures:	\$ (14,260,360)	\$ (10,610,973)	\$ (5,013,739)	\$ (811,801)
Total Transfers to City:	\$ (3,172,082)	\$ (3,254,646)	\$ 168,049	\$ -
Extraordinary gain (loss)*	\$ -	\$ -	\$ (10,426,367)	\$ 10,181,363
Net change in equity	\$ (4,769,888)	\$ (1,044,678)	\$ (11,047,827)	\$ 11,075,777
Beginning Equity:	\$ 16,873,906	\$ 12,104,018	\$ 11,047,827	\$ -
Prior Period Adjustment	\$ -	\$ (11,513)	\$ -	\$ -
Ending Equity:	\$ 12,104,018	\$ 11,047,827	\$ -	\$ 11,075,777
Other Information:				
Capital assets as of end of year				
RDA	\$ 6,981,700	\$ 846,504	\$ -	\$ -
City of Torrance	\$ 815,000	\$ 6,781,009	\$ 7,528,821	\$ -
City as Successor Agency	\$ -	\$ -	\$ -	\$ 7,458,327
Long-term debt as of end of year				
Bonds Payable (TABs)	\$ 31,903,841	\$ 30,323,616	\$ 28,624,300	\$ 28,624,300
Advances from American Honda	910,790	910,790	910,790	910,790
Advances from LA County	11,998,711	12,733,970	13,253,940	13,253,940
Advances from City	18,432,015	17,090,248	-	-
Interest payable	8,096,669	8,950,630	9,038,761	8,913,008
	\$ 71,342,026	\$ 70,009,254	\$ 51,827,791	\$ 51,702,038

* The extraordinary gain/loss is due to the dissolution of the redevelopment agency.

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
 Summary of Financial Transactions - Reconciliation of Successor Agency
 6/30/2012

	Successor Agency 5 Months Ended 6/30/2012		
	Non-Housing	Low and Moderate Income Housing	Total
Assets (modified accrual basis)			
Pooled cash and investments	\$ 166,829	\$ 7,971,749	\$ 8,138,578
Cash with fiscal agent	2,933,610	-	2,933,610
Due from other funds	923,094	-	923,094
Advances to other funds	-	1,873,725	1,873,725
Other prepayments	-	3,724	3,724
Total Assets	\$ 4,023,533	\$ 9,849,198	\$ 13,872,731
Liabilities (modified accrual basis)			
Accounts payable	\$ -	\$ 135	\$ 135
Due to other funds	-	923,094	923,094
Advances to other funds	1,873,725	-	1,873,725
Total Liabilities	\$ 1,873,725	\$ 923,229	\$ 2,796,954
Equity	2,149,808	8,925,969	11,075,777
Total Liabilities + Equity	\$ 4,023,533	\$ 9,849,198	\$ 13,872,731
Total Revenues:	\$ 1,701,040	\$ 5,175	\$ 1,706,215
Total Expenditures:	\$ (788,378)	\$ (23,423)	\$ (811,801)
Extraordinary gain (loss)	\$ 1,237,146	\$ 8,944,217	\$ 10,181,363
Net change in equity	\$ 2,149,808	\$ 8,925,969	\$ 11,075,777
Beginning Equity:	\$ -	\$ -	\$ -
Ending Equity:	\$ 2,149,808	\$ 8,925,969	\$ 11,075,777
Other Information:			
Capital assets as of end of year	\$ 983,844	\$ 6,474,483	\$ 7,458,327
Long-term debt as of end of year	\$ 51,702,038	\$ -	\$ 51,702,038

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
 Transfers of Non-Housing Assets
 6/30/2012

TRANSFERS TO THE CITY OF TORRANCE

Asset Transferred	Transfers from		Total	
	1/31/2012	2/1/2012 to 6/30/2012		
Added to Exhibit A:				
Cash	8,978	-	8,978	<i>Transfer to the City rehabilitation housing fund to provide funds for loans to low-income persons not yet entered into.</i>
Cash	4,138	-	4,138	<i>Transfer to the City to fund for future firewall, connection wires, etc.</i>
Cash	391	-	391	<i>Transfer to the City to fund future PC replacement</i>
Capital assets	983,844	-	983,844	<i>Transfer of land to the City originally approved on March 8, 2011. The City was designated as the Successor Agency on January 10, 2012. These assets were then legally transferred to the City as the Successor Agency as of February 1, 2012.</i>
	<u>\$ 997,351</u>	<u>-</u>	<u>997,351</u>	

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
 Schedule of Unspent Restricted Bond Proceeds
 6/30/2012

<u>Bond Description and Account Type</u>	<u>Unspent Bond Proceeds</u>	<u>Restricting Legal Document</u>	<u>On Approved ROPS</u>	<u>Maturity Date</u>
1998A TAB Interest/Debt Service	\$ 3,263	Trust Indenture	Yes	9/1/2028
1998A TAB Reserve	586,580	Trust Indenture	Yes	9/1/2028
1998B TAB Reserve	1,040,338	Trust Indenture	Yes	9/1/2028
1998C TAB Interest/Debt Service	1,084	Trust Indenture	Yes	9/1/2028
1998C TAB Reserve	1,302,345	Trust Indenture	Yes	9/1/2028
	<u>\$ 2,933,610</u>			

RESOLUTION NO. _____

**A RESOLUTION OF THE OVERSIGHT
BOARD OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE APPROVING THE DUE
DILIGENCE REVIEW REPORT**

WHEREAS, the Oversight Board of the Successor Agency to Redevelopment Agency of the City of Torrance (“Oversight Board”) has been established to direct the City of Torrance, in its capacity as “Successor Agency,” to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Torrance (“Agency”) in accordance with the requirements of Assembly Bill 26, also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and 1.85 of Division 24 of the California Health and Safety Code (“ABx1 26”); and

WHEREAS, pursuant to Assembly Bill 1484 and California Health & Safety Code section 34179.5, each Successor Agency shall have conducted a Due Diligence Review (DDR) of all other funds and accounts; and

WHEREAS, California Health & Safety Code section 34179.6(a) requires the Successor Agency provide the Oversight Board, the County Auditor-Controller, the State Controller, and the California Department of Finance with the results of the Due Diligence Review by December 15, 2012; and

WHEREAS, California Health & Safety Code section 34179.6(c) requires that the Oversight Board review, approve, and transmit to the County Auditor-Controller, the State Controller, and the California Department of Finance the Due Diligence Report by January 15, 2013 for all other funds and accounts;

WHEREAS, California Health & Safety Code section 34179.6(b) requires that the Oversight Board convene a public comment session at least five business days before the Oversight Board hold the approval vote specified in Health & Safety Code section 34179.6(c);

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Torrance does hereby resolve as follows:

SECTION 1. The Oversight Board initially reviewed and allowed for public comment on the Due Diligence Review Report at its meeting on December 13, 2012. One member from the public addressed the Oversight Board regarding the timeline for the liquidation of real properties owned by the former Redevelopment Agency of the City of Torrance. No public comment was received pertaining to the unobligated cash balances to be remitted to the Los Angeles County Auditor-Controller. Staff addressed the comments by obtaining the person’s contact information and referring him to the future property management and liquidation plan that will be completed early next year.

SECTION 2. The Oversight Board approved the Due Diligence Review Report at its meeting on January 9, 2013.

SECTION 3. The Oversight Board directs that the Due Diligence Review Report be forwarded to the California Department of Finance, the State Controller, and the Los Angeles County Auditor Controller.

PASSED, APPROVED AND ADOPTED this 9th day of January 2013.

Steve Maguin, Chairperson,
Oversight Board of the Successor
Agency to the Former Redevelopment
Agency of the City of Torrance

ATTEST:

Secretary to the Oversight Board

Attachment: Exhibit A Due Diligence Review Report