5.

Housing Due Diligence Review

COUNTY OF PLACER, CALIFORNIA

Independent Accountant's Report on Applying
Agreed-Upon Procedures on the
Former Redevelopment Agency
Low and Moderate Income Housing Funds

Pursuant to AB 1484
as Prescribed in
California Health and Safety Code Section 34179.5
Community Redevelopment Dissolution







County of Placer, Successor Agency to

Auburn, California

the County of Placer Redevelopment Agency

Walnut Creek

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated in Attachment A, which were applied to the Low and Moderate Income Housing Funds of the former redevelopment agency and agreed to by the County of Placer, California (County), Successor Agency to the County of Placer Redevelopment Agency (Successor Agency), the California State Controller's Office, and the California State Department of Finance (collectively referred to as the Specified Parties) solely to assist the Specified Parties in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code). The management of the County, as Successor Agency, is responsible for the accounting records. 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 the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A, either for the purpose for which this report has been requested, or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures, as set forth in Attachment A, related to the assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the balances available for transfer to taxing entities form assets transferred to the Successor Agency from the Low and Moderate Income Housing Funds of the former redevelopment agency or as to the appropriateness of the other financial information summarized in Attachment A and Exhibits A to E. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, 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.

Sacramento, California

Macion Sini & O'lonnell LLP

November 1, 2012

Attachment A - Agreed-Upon Procedures and Findings Low and Moderate Income Housing Funds

Our procedures and results are as follows:

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.

Procedure:

Obtain from the Successor Agency a listing of all assets that were transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on or about 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.

Results: The amount of assets transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on January 31, 2012 was \$14,418,882.

2) **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.

Procedures:

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 of assets from the Low and Moderate Income Housing Funds of the former redevelopment agency (excluding payments for goods and services) 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 of assets from the Low and Moderate Income Housing Funds of the former redevelopment agency (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds

Results: The State Controller's Office has not completed its review, and therefore, has not issued its report regarding such review of transfers required under both Sections 34167.5 and 34178.8. In addition, there were no transfers of assets (excluding payments for goods and services) from the Low and Moderate Income Housing Funds of the former redevelopment agency to the County for the period from January 1, 2011 through January 31, 2012 or from the Successor Agency to the County for the period from February 1, 2012 through June 30, 2012; therefore these procedures were not applicable.

3) **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.

Procedures:

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 of assets from the Low and Moderate Income Housing Funds of the former redevelopment agency (excluding payments for goods and services) 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 of assets from the Low and Moderate Income Housing Funds of the former redevelopment agency (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.

Results: The State Controller's Office has not completed its review, and therefore, has not issued its report regarding such review, of transfers required under both Sections 34167.5 and 34178.8. In addition, there were no transfers of assets (excluding payments for goods and services) from the Low and Moderate Income Housing Funds of the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012 or from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012; therefore these procedures were not applicable.

Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds

4) **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.

Procedures:

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 revenues, expenditures, and transfers account 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.

Results: As these procedures pertain to the Successor Agency as a whole, they will be performed and reported on in the report that is due on December 15, 2012, as instructed by the California Department of Finance and therefore are not applicable for this report.

- 5) **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.

Procedure:

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. 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 AUP report.

Results: Please refer to Exhibit A.

Attachment A - Agreed-Upon Procedures and Findings (Continued) Low and Moderate Income Housing Funds

6) **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.

Procedures:

Obtain from the Successor Agency a listing of asset balances transferred from the Low and Moderate Income Housing Fund 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.

Attachment A - Agreed-Upon Procedures and Findings (Continued) Low and Moderate Income Housing Funds

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.

Results: Please refer to Exhibit B.

7) **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.

Procedures:

- A. Obtain from the Successor Agency a listing of assets transferred from the Low and Moderate Income Housing Fund 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 7A 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 7B, 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 7A 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.

Results: Please refer to Exhibit C.

8) 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.

Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds

Procedures:

- A. If the Successor Agency believes that asset balances transferred from the Low and Moderate Income Housing Fund 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 transferred from the Low and Moderate Income Housing Fund dedicated or restricted to an enforceable obligation, are insufficient to fund future obligation payments, and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
 - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds

- 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 8A, B, or C were performed, calculate the amount of current unrestricted balances of assets transferred from the Low and Moderate Income Housing Fund 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.

Results: Please refer to Exhibit D

9) 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.

Procedure:

If the Successor Agency believes that, as of June 30, 2012, cash balances transferred from the Low and Moderate Income Housing Fund 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 transferred from the Low and Moderate Income Housing Fund 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.

Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Funds

Results: There are amounts of existing cash that have been identified by the Successor Agency to satisfy existing obligations for the periods of July 1, 2012 through June 30, 2013. However, with the exception of a CALHFA loan balance, no amounts are listed on the Recognized Obligation Payment Schedules (ROPS) for the periods of July 1, 2012 through December 31, 2012 and January 1, 2013 through June 30, 2013 submitted to the Department of Finance. Refer to Exhibit E. The items identified on Exhibit E that are not included on either ROPS for the fiscal year 2012/13 are listed as findings. All amounts of obligations, except County employee costs, were supported by contracts. The County employee costs amounts were based off of the 2012/13 Low and Moderate Income Housing Fund Budget.

Oitation: 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.

Procedure:

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from assets transferred to the Successor Agency from the Low and Moderate Income Housing Fund. 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.

Results: Please refer to Exhibit F.

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 assets of the Low and Moderate Income Housing Fund 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.

Results: No exceptions were noted as a result of this procedure.

COUNTY OF PLACER, SUCCESSOR AGENCY (HOUSING) TO THE COUNTY OF PLACER REDEVELOPMENT AGENCY EXHIBIT A - LOW AND MODERATE INCOME HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY

	T	otal value as
Asset	of.	June 30, 2012
Cash in treasury	\$	1,426,385
Cash-restricted in treasury (CalHFA Notes Payable)		1,198,956
Cash-restricted in treasury for bonds		1,419,455
Interest receivable		11,977
Due from other governments		9,886
Notes receivable		11,574,776
Land		816,164
Total Assets	\$	16,457,599

COUNTY OF PLACER, SUCCESSOR AGENCY (HOUSING) TO THE COUNTY OF PLACER REDEVELOPMENT AGENCY EXHIBIT B - LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY

A. Unspent Bond Proceeds Assets	Total value as of June 30, 2012	Computation of the Restricted Ba	alance	Source of funds	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
Tax Allocation Bonds, 2006 Series	C \$ 1,419,455	Original bond issue Less: Project costs to date as of 6/30/12 Unspent bond proceeds	\$ 5,865,000 4,445,545 \$ 1,419,455	Bond proceeds	Accounting records	The Tax Allocation Bonds, 2006 Series C Official Statement requires the restriction. The restriction is in effect until all the bond proceeds are expended for their intended purpose.
B. Grant Proceeds and Program Assets	Income Total value as of June 30, 2012	Computation of the Restricted Ba	alance	Source of funds	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
No grant proceeds and program inc	come were identified.					
C. Other Assets Considered Legs Assets	Total value as of June 30, 2012	Computation of the Restricted Ba	alance	Source of funds	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate in the period of time for which the restrictions are in effect. Note whether the restrictions are in effect until the related assets are expended for their intended purpose.
No other assets considered legally i	restricted were identified.					
Total Assets	\$ 1,419,455					

COUNTY OF PLACER, SUCCESSOR AGENCY (HOUSING) TO THE COUNTY OF PLACER REDEVELOPMENT AGENCY EXHIBIT C - LOW AND MODERATE INCOME HOUSING FUND ASSETS OTHER THAN CASH AND CASH EQUIVALENTS TRANSFERRED TO THE SUCCESSOR AGENCY

			Basis (i.e. Book	financial statements or the accounting records) and any differences noted. If differences pertain
	Tot	tal value as of	Value/Fair	to disposal of assets, note whether the proceeds
Asset	Jυ	ine 30, 2012	Market Value)	were deposited into the Successor Agency.
Undeveloped land - 360 Silver Bend Way, Auburn, CA 95602(1)	\$	816,164	Book Value	Accounting records
Interest receivable		11,977	Book Value	Accounting records
Due from Other Governments		9,886	Book Value	Accounting records
Deferred payment Notes Receivable		11,574,776	Book Value	Accounting records
Total Assets	\$	12,412,803		

Description of the records provided supporting the book value listed (i.e. previously audited

⁽¹⁾ USA Properties has an option agreement & Disposition and Development Agreement for the purpose of developing affordable housing on this property

COUNTY OF PLACER, SUCCESSOR AGENCY (HOUSING) TO THE COUNTY OF PLACER REDEVLOPMENT AGENCY EXHIBIT D - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE REQUIRED TO PAY ENFORCABLE OBLIGATIONS

Identify specific enforceable obligation applicable	Findings	Amount Restricted	Source of funds	Nature of dedication or restriction
Disposition and development agreement- Quartz Ridge Family Apartments	None	\$353,032	Tax increment	Agreement to provide loan for construction of multifamily rental housing project.

EXHIBIT E - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE NEEDED TO SATISFY OBLIGATIONS ON THE ROPS FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013

Project Name/ Debt Obligation		Contract Execution Date	Contract Termination Date	Payee	Description
CALHFA-loan		10/2/2002	10/2/2012	CALHFA	Repayment of loan
Continued Operations	(2)	9/20/2011	6/30/2013	Bushwackers	Weed abatement NA acquired property
Housing Specialist Reimbursement	(1)	None	None	Employees of County	Housing projects employee costs
Housing Specialist Reimbursement	(1)	None	None	Employees of County	Housing management
DDA - KBHA	(2)	7/1/2011	12/31/2012	Blackburn Consulting	Wage monitoring and Construction Management
Housing Specialist Reimbursement	(1)	None	None	Employees of County	Housing projects employee costs
Housing Specialist Reimbursement	(1)	None	None	Employees of County	Housing management
Housing Specialist Reimbursement	(1) (3)	None	None	Employees of County	Housing projects employee costs

⁽¹⁾ For the following items, there was no contract because the obligations are for County employee costs. Employee costs were estimated for 2012-13 based on active projects, loans in process, property management and existing loan portfolio management requirements. These items are identified as findings for this exhibit because there was no ROPS submitted to the Department of Finance for the Low/Mod Income Housing Fund for the ROPS II and ROPS III periods.

⁽²⁾ For the following items, the related contracts were reviewed for outstanding obligations and amounts due during Fiscal year 2012-13. These items are identified as findings for this exhibit because there was no ROPS submitted to the Department of Finance for the Low/Mod Income Housing Fund for the ROPS III and ROPS III periods.

⁽³⁾ In accordance with authorized expenditures under federal housing tax credit regulations, approximately \$115,000 is anticipated in project direct delivery costs to be applied against 2013-2014 (ROPS13A & B).

EXHIBIT E - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE NEEDED TO SATISFY OBLIGATIONS ON THE ROPS FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013 (CONTINUED)

	Outstanding	period	ng the 6-month ending	Amount of existing cash	
Project Name/ Debt Obligation	or Obligation une 30, 2012	ROPS II 12/31/2012	ROPS III 06/30/2013	needed as of June 30, 2012	Explanation for retaining funds
CALHFA-loan	\$ 1,300,000	\$ 1,300,000	-		* Loan repayment due 10/2/2012
Continued Operations	3,500	-	-	3,500	Weed abatement of owned property, for fire hazard minimialization
Housing Specialist Reimbursement	6,748	-	-	6,748	Employee costs for North Auburn portfolio/loan & contract management
Housing Specialist Reimbursement	12,886	-	-	12,886	Employee costs for Quartz Ridge Housing Project/Property Management
DDA - KBHA	32,398	-	-	32,398	Construction management, wage compliance support services for Kings Beach Housing
Housing Specialist Reimbursement	21,815	-	-	21,815	Employee costs for North Tahoe portfolio/contract management
Housing Specialist Reimbursement	87,259	-	-	87,259	Employee costs for Kings Beach Housing Project Management
Housing Specialist Reimbursement	7,012	-	-	7,012	Employee costs for loan underwriting for rehab & homebuyer loans
				\$ 1,364,144	

^{*}Amount paid by Successor Agency subsequent to June 30, 2012.

COUNTY OF PLACER, SUCCESSOR AGENCY (HOUSING) TO THE COUNTY OF PLACER REDEVELOPMENT AGENCY EXHIBIT F - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE AVAILABLE TO DISTRIBUTE TO AFFECTED TAXING ENTITIES

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)	Exhibit A	\$ 16,457,599
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)	Exhibit B	(1,419,455)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	Exhibit C	(12,412,803)
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)	Exhibit D	(353,032)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	Exhibit E	(1,364,144)
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		\$ 908,165

Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

6.

Services Agreement
with Burke,
Williams &
Sorenson for Legal
Services

PLACER COUNTY

OVERSIGHT BOARD

MEMORANDUM

TO: Honorable Members of the Placer County Oversight Board

FROM: Rae James, Director **DATE:** November 8, 2012

SUBJECT: Contract for Legal Services – Cancellation of Meyers Nave Riback Silver & Wilson legal

services consulting contract in an amount not to exceed \$260,000 and authorization for a legal services consulting contract with Burke, Williams & Sorensen, LLP in an amount not

to exceed \$218,000 and for a term ending June 30, 2013.

<u>ISSUE:</u> On October 10, 2012 Successor Agency (Agency) staff was notified that our external legal counsel who specialized in advising on the Dissolution Act had accepted an offer to join Burke Williams & Sorensen a firm located in Oakland, California which specializes in real estate transactions. Our current contract is with Meyers Nave Riback Silver & Wilson who have indicated that they will no longer have the expertise on staff to serve our redevelopment wind down needs.

BACKGROUND: On February 28, 2012, your Board extended the terms and total dollar value of the Agency's contract with Meyers Nave to \$260,000 with the term to end June 30, 2013. The present request is intended to allow the Agency to continue with its present outside legal counsel at her new firm, Burke, Williams & Sorensen for the same term and for the an amount that does not exceed the remaining balance on the Meyers Nave contract, approximately \$218,000.

This specialized legal expertise is critical to the Agency as it continues to wind down the activities of the former Redevelopment Agency. Specifically, advice and assistance is needed in interpreting applicable law, responding to contractual issues, composing agreements and plans, and negotiating with state agencies.

Allocation of funds for payment of these services is included on the Agency's Recognized Obligation Payment Schedule (ROPS) approved by the Placer County Oversight Board on May 11, 2012. Payment of these services is considered an 'enforceable obligation' as defined in California Health and Safety Code section 34167(d) and falls within the category of 'continued administration' as such is defined in California Health and Safety Code section 34167(d)(6).

ACTION REQUESTED: Adopt a resolution authorizing the cancellation of the existing Meyers Nave Riback Silver & Wilson legal service consulting contract in the amount of \$260,000 and authorizing the execution of a legal services consulting contract with Burke, Williams & Sorensen, LLP in an amount not to exceed \$218,000 and a term ending June 30, 2013.

Attachments: Resolution

Contract

Before the Placer County Oversight Board County of Placer, State of California

In the matter of:	
Authorizing the Cancellation of the Contract with Nave Riback Silver & Wilson Legal Services Co Contract and Execution of a Legal Services Co Contract with Burke, Williams & Sorensen, LI Amount not to Exceed \$218,000 and for a Tern June 30, 2013	onsulting onsultant LP in an
The following Resolution was duly passed by	y the Placer County Oversight Board at a
regular meeting held November 8, 2012	
by the following vote on roll call:	
Ayes:	
Noes:	
Absent:	
Signed and approved by me after its passage.	
Attest:	Chair, Placer County Oversight Board
Clerk of said Board	
WHEREAS, California Health and Safety Code S	Sections 34175 and 34177(j), authorizes the Plac
County Oversight Board to direct the Successor Ag	•

are on an approved applicable Recognized Obligation Payment Schedule (ROPS) as an 'enforceable obligation' under the category of 'continued administration'.

WHEREAS, the Agency has a current legal services consultant contract with Meyers Nave Riback Silver & Wilson in an amount not to exceed \$260,000 and scheduled to expire on June 30, 2013;

WHEREAS, the payment obligation for the Meyers Nave contract is included on the Agency's applicable ROPS as approved by the Placer County Oversight Board on May 11, 2012;

WHEREAS, the Agency wishes to cancel the Meyers Nave agreement in order to enter into a contract with the legal firm of Burke, Williams & Sorensen, LLP in order to allow for continuity in representation by outside legal counsel who is familiar with this Agency's particular issues and challenges; and

WHEREAS, the proposed action will not result in new or additional financial obligations, different contract terms or obligations and will not extend the term beyond the original contract's expiration date of June 30, 2012; and

NOW, THEREFORE, BE IT RESOLVED that the Placer County Oversight Board authorizes the cancellation of the existing Meyers Nave Riback Silver & Wilson legal service consulting contract in the amount of \$260,000 and the execution of a legal services consulting contract with Burke, Williams & Sorensen, LLP in an amount not to exceed \$218,000 and a term ending June 30, 2013.

Before the Placer County Oversight Board County of Placer, State of California

Ĭ'n	the	matter	of:
111	uic	шашег	w.

Clerk of said Board

Authorizing the Cancellation of the Contract with Meyers Nave Riback Silver & Wilson Legal Services Consulting Contract and Execution of a Legal Services Consultant Contract with Burke, Williams & Sorensen, LLP in an Amount not to Exceed \$218,000 and for a Term ending June 30, 2013 Reso. No. 2012-10

The following Resolution was duly passed by the Placer County Oversight Board at a
regular meeting held November 8, 2012
by the following vote on roll call:
Ayes: FEIST, HART, HESTER, JOHNSON, MCINTYRE, MONTGOMERY
Noes: NONE
Absent: LEWIS
Signed and approved by me after its passage.
Attest: Chair, Placer County Oversight Board

WHEREAS, California Health and Safety Code Sections 34175 and 34177(j), authorizes the Placer County Oversight Board to direct the Successor Agency (Agency) to renew and extend contracts which are on an approved applicable Recognized Obligation Payment Schedule (ROPS) as an 'enforceable obligation' under the category of 'continued administration'.

WHEREAS, the Agency has a current legal services consultant contract with Meyers Nave Riback Silver & Wilson in an amount not to exceed \$260,000 and scheduled to expire on June 30, 2013;

WHEREAS, the payment obligation for the Meyers Nave contract is included on the Agency's applicable ROPS as approved by the Placer County Oversight Board on May 11, 2012;

WHEREAS, the Agency wishes to cancel the Meyers Nave agreement in order to enter into a contract with the legal firm of Burke, Williams & Sorensen, LLP in order to allow for continuity in representation by outside legal counsel who is familiar with this Agency's particular issues and challenges; and

WHEREAS, the proposed action will not result in new or additional financial obligations, different contract terms or obligations and will not extend the term beyond the original contract's expiration date of June 30, 2012; and

NOW, THEREFORE, BE IT RESOLVED that the Placer County Oversight Board authorizes the cancellation of the existing Meyers Nave Riback Silver & Wilson legal service consulting contract in the amount of \$260,000 and the execution of a legal services consulting contract with Burke, Williams & Sorensen, LLP in an amount not to exceed \$218,000 and a term ending June 30, 2013.

Administering Agency: Placer Agency Successor Agency

Blanket Purchase Order No.

Contract Description:

Legal Services

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made at Auburn, California, by and between the Placer County Successor Agency, ("Agency"), and Burke Williams & Sorensen, LLP ("Contractor"), who agree as follows:

- 1. <u>Services</u>. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the services described in Exhibit A. Contractor shall provide said services at the time, place, and in the manner specified by the Agency.
- 2. Payment. Agency shall pay Contractor for services rendered on a monthly basis. Payment for the term of the Agreement shall not exceed **Two Hundred Eighteen thousand dollars (\$218,000**. No increase in the contract amount is permitted without prior written approval of the Placer County Oversight Board. Contractor shall submit all billings for said services to Agency in the manner specified by Agency.
- 3. <u>Term.</u> This Agreement shall commence on the date of the last signature below and shall terminate on June 30, 2013. No extension of this Agreement is permitted without prior written approval of the Placer County Oversight Board.
- 4. Facilities, Equipment and Other Materials, and Obligations of Agency. Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.
- 5. **Exhibits.** All exhibits referred to herein will be attached hereto and by this reference incorporated herein.
- 6. <u>Time for Performance</u>. Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A shall constitute material breach of this Agreement.
- 7. <u>Independent Contractor</u>. At all times during the term of this Agreement, Contractor shall be an independent Contractor and shall not be an employee of the Agency. Agency shall have the right to control Contractor only insofar as the scope of Contractor's services rendered pursuant to this Agreement. Agency shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.
- 8. <u>Licenses, Permits, Etc.</u> Contractor represents and warrants to Agency that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Contractor to practice its profession. Contractor represents and warrants to Agency that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.
- 9. <u>Time</u>. Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this

Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

- 10. <u>Insurance</u>. Contractor shall file with Agency a Certificate of Insurance, with companies acceptable to Agency, with a Best's Rating of no less than A:VII showing the following coverage:
 - A. Workers' Compensation and Employers' Liability Insurance
 - Workers' Compensation Insurance shall be provided, as required, by any applicable law or regulation. Employers' liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.
 - 2) If there is an exposure of injury to Contractor's employees under the U.S. Longshoremen and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
 - 3) Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to the Agency."

4) Contractor shall require all sub-Contractors to maintain adequate Workers' Compensation Insurance. Certificates of Workers' Compensation shall be filed forthwith with the Agency upon demand.

B. General Liability Insurance

- Comprehensive General Liability or Commercial General Liability insurance shall be
 provided covering all operations by, or on behalf of Contractor, covering bodily injury
 liability and property damage liability for the limits of liability indicated below and
 including coverage for contractual liability insuring the obligations assumed by Contractor
 in this Agreement.
- 2) One of the following forms is required:
 - a) Comprehensive General Liability;
 - b) Commercial General Liability (Occurrence); or
 - c) Commercial General Liability (Claims Made).
- 3) If Contractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, properly damage, and Personal Injury Liability of:
 - a) One million dollars (\$1,000,000) each occurrence;
 - b) One million dollars (\$1,000,000) aggregate.
- 4) If Contractor carries a Commercial General Liability (Occurrence) policy:
 - a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) for Products-Completed Operations:
 - iii) One million dollars (\$1,000,000) General Aggregate.

b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately to this contract, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

5) Special Claims Made Policy Form Provisions:

Contractor shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of Agency, which consent, if given, shall be subject to the following conditions:

- a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) aggregate for Products-Completed Operations;
 - iii) One million dollars (\$1,000,000) General Aggregate.
- b) The insurance coverage provided by Contractor shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

C. Endorsements:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- 1) "The Agency, its officers, agents, employees and volunteers, and the County of Placer, its officers, agents, employees and volunteers, are to be covered as insureds for all liability arising out of operations, or on behalf of, the named insured in the performance of this Agreement."
- 2) "The insurance provided by the Contractor, including any excess liability or umbrella form coverage, is primary coverage to the Agency with respect to any insurance or self-insurance programs maintained by Agency, and no insurance held or owned by Agency shall be called upon to contribute to a loss."
- 3) "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to Agency."

D. Automobile Liability Insurance

- 1) Automobile Liability insurance shall be provided covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- 2) Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

E. <u>Professional Liability Insurance (Errors and Omissions)</u>

- Professional Liability Insurance for Errors and Omissions coverage shall be provided in the amount of not less than one million dollars (\$1,000,000) per occurrence and two million (\$2,000,000) in aggregate.
- The insurance coverage provided by Consultant shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

Indemnity. Contractor hereby agrees to protect, defend, indemnify, and hold the Agency free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by the Agency arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the Agency) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of this contract or agreement. Contractor agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Contractor. Contractor also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against Contractor or the Agency or to enlarge, in any way, the Contractor's liability but is intended solely to provide for indemnification of the Agency from liability for damages or injuries to third persons or property arising from Contractor's performance pursuant to this contract or agreement.

As used above, the term "Agency" means Placer County Successor Agency or its officers, agents, employees and volunteers, and the County of Placer, its officers, agents, employees and volunteers.

- 12. <u>Contractor Not Agent</u>. Except as Agency may specify in writing Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 13. Assignment Prohibited. Assignment of this Agreement is not permitted.

14. Personnei.

- A. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Contractor shall remove any such person immediately upon receiving notice from Agency of the desire of Agency for removal of such person or persons.
- B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit A or B, Contractor agrees to perform the work under this agreement with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Contractor without the prior written consent of Agency shall be grounds for cancellation of the agreement by Agency, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.
- 15. Standard of Performance. Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to Agency pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.

16. Termination.

A. Agency shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Contractor. In the event Agency shall give notice of termination,

Contractor shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event Agency shall terminate this Agreement:

- 1) Contractor shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostatting, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.
- 2) Agency shall have full ownership and control of all such writings delivered by Contractor pursuant to this Agreement.
- Agency shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Agreement not to exceed the amount documented by Contractor and approved by Agency as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in Exhibit B, and further provided, however, Agency shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Agreement. In this regard, Contractor shall furnish to Agency such financial information as in the judgment of the Agency is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which Agency may have in law or equity.
- B. Contractor may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the Agency.
- 17. <u>Non-Discrimination</u>. Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.
- 18. Records. Contractor shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to Agency, and Agency shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this agreement, no payments shall be made to Contractor until Agency is satisfied that work of such value has been rendered pursuant to this agreement. However, Agency shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.
- 19. Ownership of Information. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of Agency, and Contractor agrees to deliver reproducible copies of such documents to Agency on completion of the services hereunder. The Agency agrees to indemnify and hold Contractor harmless from any claim arising out of reuse of the information for other than this project.
- 20. <u>Hiring of Others</u>. Unless consultants, specialists, experts or other third parties are listed in the Scope of Work, Contractor must not employ any of them or incur any obligation to pay any of them for services performed under this Agreement without the prior written approval of Agency. Agency's written approval shall not create any obligation of the Agency with regard to any such third party. Contractor has no authority to, and must not purport to, employ, hire or contract with any such third party as agent of the Agency or otherwise on behalf of Agency.

- 21. <u>Subcontracting.</u> Contractor must not enter into any subcontract for performance of the services covered by this Agreement without the prior written consent of Agency. In any event, Contractor shall be as fully responsible to Agency for the acts and omissions of his subcontractors and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. In any event, Contractor must insert in each subcontract appropriate provisions requiring compliance with the labor standards provisions, insurance and other relevant provisions of this Agreement.
- 22. Monitoring and Reporting. Agency may monitor the adequacy of Contractor's performance in any manner which Agency deems most effective. Contractor must cooperate with Agency in such monitoring. If requested by the Agency staff, in writing, Contractor must provide Agency with detailed reports outlining the most current status involving all Agency activities and projects being handled by Contractor. Such reports may be required no more often than monthly. Agency shall have the right to audit such reports, including the right to review all records of Contractor related to such reports.
- 23. <u>Waiver</u>. One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.
- 24. <u>Conflict of Interest</u>. Contractor shall, upon Agency request, complete and submit a conflict of interest statement to the Agency in form approved by the Agency.
 - Contractor certifies that no official or employee of the Agency, nor any business entity in which an official of the Agency has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Contractor agrees that no such person will be employed in the performance of this agreement without immediately notifying the Agency.
- 25. Entirety of Agreement. This Agreement contains the entire agreement of Agency and Contractor with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
- 26. <u>Amendments</u>. Amendments to this Agreement must be in writing and signed by all parties. Amendments to the term and contract amount are subject to the prior written approval of the Placer County Oversight Board.
- 27. Governing Law. This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the Agency of Placer, State of California, and Contractor hereby expressly waives those provisions in California Code of Civil Procedure §394 that may have allowed it to transfer venue to another jurisdiction.
- 28. <u>Confidentiality</u>. All information prepared or assembled by the Contractor under this Agreement is confidential. Contractor must not make this information available to any individual or organization without the prior written approval of Agency. Contractor must immediately forward to Agency all requests for information related to this Agreement made by a third party to Contractor. Contractor must not disclose or permit the disclosure of any confidential information of the Agency except to its agents, employees and other consultants, approved by Agency, who need such confidential information for the proper performance of their duties related to this Agreement or on behalf of the Agency.

parties as follows:	•
SUCCESSOR AGENCY:	Placer County Successor Agency
	Attn: Rae James, Director
	175 Fulweiler Avenue
	Auburn, CA 95603
	(530) 886-4618
CONTRACTOR:	Burke Williams & Sorensen, LLP
	Attn: Susan Bloch
	1901 Harrison Street, Suite 900
	Oakland, CA 94612
	outland, of the long
	(510) 273-8780
Any notice so delivered personal mailed shall be deemed to be rece	(510) 273-8780 ly shall be deemed to be received on the date of delivery, and any notice eived five (5) days after the date on which it was mailed.
mailed shall be deemed to be rece	(510) 273-8780 ly shall be deemed to be received on the date of delivery, and any notice eived five (5) days after the date on which it was mailed. e stated:
Executed as of the day first above PLACER COUNTY SUCCESS By:	(510) 273-8780 ly shall be deemed to be received on the date of delivery, and any notice eived five (5) days after the date on which it was mailed. e stated:
Executed as of the day first above PLACER COUNTY SUCCESS By:	(510) 273-8780 ly shall be deemed to be received on the date of delivery, and any notice eived five (5) days after the date on which it was mailed. e stated: SOR AGENCY

BURKE WILLIAMS & SORENSEN, LLP

Name

Its:

Date:

By:	
Name:	
Its:	
Date: _	
APPROVED AS TO I	FORM – Agency Counsel:
By:	Karin Schwab, Deputy County Counsel
Date:	

EXHIBIT A

SCOPE OF SERVICES

Burke Williams & Sorensen will be required to perform the following task:

Legal Services to Placer County Successor Agency

As requested, and in coordination with County Counsel, provide advice and assistance regarding:

- a. Assist in preparation of Recognized Obligation Payment Schedules
- b. Assist in preparation of Administrative Budgets
- c. Assist in implementation of contractual obligations
- d. Negotiations and presentations to Placer County Oversight Board and state agencies;
- e. Assist in maintenance and disposition of assets
- f. Interpretation of, and amendments to, existing agreements
- g. Assist in response to audits
- h. Interpretation of applicable law
- i. Communication with Placer County Oversight Board and state agencies
- j. Negotiations in connection with BB LLC financing/workout arrangements.
- k. Other related subject matters, as needed.

EXHIBIT B

PAYMENT FOR SERVICES RENDERED

Attorney and Staff Billing Rates

Susan E. Bloch \$275 per hour Rafael Mandelman \$275 per hour Karen Murphy \$275 per hour Gregory M. Murphy \$275 per hour Gerald J. Ramiza \$275 per hour

Nicholas J. Muscolino\$225 per hour

Catherine Dela Cruz \$130 per hour

An eight percent (8%) administrative charge will be added to each monthly invoice, and no additional allocation for direct expenses is anticipated. Third-party expenses incurred on behalf of the client must be approved in writing prior to incurring the expense, and copies of third-party invoices are to be included in monthly billings.

8.

DOF Response to 3rd
ROPS and Meet &
Confer

915 L STREET & BADRAMENTO CA B 95814-3706 E WWW.DDF.DA.GOV

September 28, 2012

Ms. Rae James, Director County of Placer 3091 County Center Drive, Suite 260 Auburn. CA 95603

Dear Ms. James:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the County of Placer Successor Agency (Agency) submitted a Recognized Obligation Payment Schedules (ROPS III) to the California Department of Finance (Finance) on August 22, 2012 for the period January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item Nos. 12 and 13 Agreements in the amount of \$43,334. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. The services agreements were both executed on July 1, 2011.
- Item Nos. 15 and 16 Toxic Cleanup in the amount of \$705,000. HSC section 34163 (c) does not allow amendments to existing agreements or obligations with any entity for any purpose after June 27, 2011. The original service contract was executed in 2010 for an amount not to exceed \$41,328. However, a fourth amendment was executed on June 8, 2012, increasing the contract amount to \$238,887. Furthermore, the total obligation of \$705,000 is not supported with documentation provided. Therefore, these items are not enforceable obligations and are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 28 and 29 Kings Beach Commercial Core Improvement Project and Hwy 49
 Improvement Project for \$11.6 million of bond funding. The Amended and Restated
 Cooperative Agreements between the County and the Agency are not valid agreements
 to establish items as enforceable obligations.

Furthermore, the following item was reclassified as administrative cost:

Item No. 14 – Property Management Contract, totaling \$41,616. Although this
reclassification increased administrative costs to \$134,942, the administrative cost
allowance has not been exceeded.

Except for items denied in whole or in part as enforceable obligations as noted above. Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination

Ms. Rae James September 28, 2012 Page 2

with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet and confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$811,981 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	\$	826,101
Less: Six-month total for item(s) denied or reclassified as administrative cost		
Item No. 14*		41,616
Item No. 15		42,760
Item No. 16		64,686
Total approved RPTTF for enforceable obligations	\$	677,039
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	٠	134,942
Total RPTTF approved:	\$	811,981

^{*} Reclassified as administrative cost

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.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

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.

Please direct inquiries to Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely.

CC:

STEVE SZALAY

Local Government Consultant

Ms. Jayne Goulding, Managing Accountant Auditor, Placer County