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## LAW ALERT

### DISILLUSIONED WITH DISSOLUTION: A LOOK AHEAD TO UPCOMING ELEMENTS AND MILESTONES IN THE REDEVELOPMENT DISSOLUTION PROCESS

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AB 1x 26 (enacted on June 28, 2011) and AB 1484 (enacted on June 27, 2012) provide the administrative and procedural requirements for winding-down the affairs of a dissolved redevelopment agency ("Dissolved RDA") by its Successor Agency. The purpose of this law alert is to highlight some of the upcoming elements and milestones of the redevelopment unwind process focusing specifically on: (1) the Housing Fund Due Diligence Review ("HFDDR"); (2) the Non-Housing Fund Due Diligence Review (the "DDR"); and (3) Recognized Obligation Payment Schedule ("ROPS")/Property Tax Distributions.

The successful completion of some of these steps is a requirement for a Successor Agency to obtain a finding of completion from the Department of Finance ("DOF"). In addition to the items listed in the attachment, the Successor Agency may consider starting to prepare the long-range property management plan that will govern

property distribution after the issuance of a finding of completion. An upcoming law alert will deal specifically with the processes for obtaining a finding of completion and preparing a long-range property management plan.

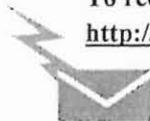
Note that the parenthetical references in the attached charts are to applicable Health and Safety Code sections and the charts use the following short hand abbreviations:

SA = Successor Agency  
OB = Oversight Board  
CAC = County Auditor-Controller  
CAO = County Administrative Officer  
SCO = State Controller's Office  
DOF = Department of Finance

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***Housing Fund Due Diligence Review***

Following are the elements and milestones related to the Housing Fund Due Diligence Review ("HFDDR"). Given the delays in the adoption of the agreed upon procedures for the due diligence reviews, it is recognized that some Successor Agencies will not be able to meet some of these deadlines. However, the sequence and flow of milestone actions summarized below will continue to apply even if some of the calendar deadlines noted below cannot technically be met.

<b>Item</b>	<b>Action</b>	<b>Timing</b>
1.	SA publishes notice of OB public comment session on HFDDR and posts notice on SA website (§ 34179.6(b) - recommended)	Recommend 10 days prior to OB public comment session, but at minimum, post 72-hour Brown Act notice of public comment session, or meet any more stringent local noticing requirements
2.	SA transmits HFDDR to OB, CAC, SCO and DOF and posts on SA website (§ 34179.6(a)); SA simultaneously transmits ROPS to CAO, CAC and DOF (§ 34179.6)	By October 1, 2012 (or at least 72 hours prior to OB public comment session if session will occur prior to October 4, 2012)
3.	OB conducts public comment session on HFDDR (§34179.6(b))	At least 5 business days prior to OB action on HFDDR
4.	SA transmits agenda, resolution and any other materials for OB action on HFDDR to OB and posts on SA website; SA simultaneously transmits same to CAO, CAC, SCO and DOF (§ 34180(j))	At least 72 hours prior to OB meeting to act on HFDDR
5.	OB conducts public meeting and acts to make determinations on HFDDR by resolution (§ 34179.6(c))	By October 15, 2012
6.	OB (with SA assistance) transmits OB determinations on HFDDR to CAC and DOF (§ 34179.6(c)) and posts on SA website	By October 15, 2012
7.	DOF completes review of HFDDR and reports findings, determinations, and decisions to overturn OB decision to allow retention of SA assets (§ 34179.6(d))	No later than November 9, 2012
8.	SA deadline to request meet & confer with DOF over any dispute regarding amount required to be paid under HFDDR (§ 34179.6(e))	Within 5 business days of receipt of initial determination from DOF and no later than November 16, 2012
9.	DOF must meet & confer with SA and confirm or modify findings (§ 34179.6(e))	Within 30 days of receipt of request for meet & confer
10.	SA to transfer to CAC the LMIHF balances determined to be available pursuant to § 34179.5 Review of the LMIHF. Sponsoring Community sales and use tax may be offset if funds are not transferred (§ 34179.6(f))	Within 5 business days of receipt of final determination from DOF
11.	CAC provides DOF report specifying amount remitted by SA pursuant to the HFDDR (§ 34179.6(g))	December 1, 2012

*Non-Housing Fund Due Diligence Review*

<b>Item</b>	<b>Action</b>	<b>Timing</b>
1.	SA publishes notice of OB public comment session on DDR and posts notice on SA website (§34179.6(b) - recommended)	Recommend 10 days prior to OB public comment session, but at minimum, post 72-hour Brown Act notice of public comment session, or meet any more stringent local noticing requirements
2.	SA transmits DDR to OB, CAC, SCO and DOF and posts on SA website (§ 34179.6(a)); SA simultaneously transmits ROPS to CAO, CAC and DOF (§ 34179.6)	By December 15, 2012 (or at least 72 hours prior to OB public comment session)
3.	OB conducts public comment session on DDR (§34179.6(b))	At least 5 business days prior to OB action on DDR
4.	SA transmits agenda, resolution and any other materials for OB action on DDR to OB and posts on SA website; SA simultaneously transmits same to CAO, CAC, SCO and DOF (§ 34180(j))	At least 72 hours prior to OB meeting to act on DDR
5.	OB conducts public meeting and acts to make determinations on DDR by resolution (§ 34179.6(c))	By January 15, 2013
6.	OB (with SA assistance) transmits OB determinations on DDR to CAC and DOF (§ 34179.6(c)) and posts on SA website	By January 15, 2013
7.	DOF completes review of DDR and reports findings, determinations, and decisions to overturn OB decision to allow retention of SA assets (§ 34179.6(d))	No later than April 1, 2013
8.	SA deadline to request meet & confer with DOF over any dispute regarding amount required to be paid under DDR (§ 34179.6(e))	Within 5 business days of receipt of initial determination from DOF
9.	DOF must meet & confer with SA and confirm or modify findings (§ 34179.6(e))	Within 30 days of receipt of request for meet & confer
10.	SA to transfer to CAC cash and other assets determined to be available pursuant to § 34179.5 Review of other funds (if meet & confer process is complete). Sponsoring Community sales and use tax may be offset for unfunded amounts (§ 34179.6(f))	Within 5 business days of receipt of final determination from DOF
11.	CAC provides DOF a report specifying the amount remitted by SA pursuant to the DDR (§ 341796(g))	April 20, 2013

*ROPS/Property Tax Distributions*

<b>Item</b>	<b>Action</b>	<b>Timing</b>
1.	CAC to provide notice to SA of any objections to items listed on 3 <sup>rd</sup> ROPS (January through June 2013 payments) (§ 34182.5)	October 1, 2012
2.	CAC provide estimate to DOF and all fund recipients of estimated 3 <sup>rd</sup> ROPS RPTTF Distribution (§ 34182(c)(3)) and transmits report to SCO and DOF on previously distributed property tax (§ 34182(d))	October 1, 2012
3.	SA reports to CAC if available revenues (including expected 3 <sup>rd</sup> ROPS RPTTF Distribution and other revenues) will be insufficient to fund enforceable obligations on 3 <sup>rd</sup> ROPS (§ 34183(b))	December 1, 2012
4.	CAC makes 3 <sup>rd</sup> ROPS RPTTF distribution (§ 34183(a)(2))	January 2, 2013
5.	CAC to provide a report to DOF regarding 3 <sup>rd</sup> ROPS RPTTF Distribution (§ 34183(e))	January 12, 2013
6.	SA submits 4 <sup>th</sup> ROPS (July through December 2013 payments) to DOF after OB approval (§ 34177(m))	March 3, 2013
7.	CAC provides estimates to DOF and all fund recipients of estimated 4 <sup>th</sup> ROPS RPTTF Distribution (§ 34182(c)(3))	April 1, 2013
8.	SA reports to CAC if available revenues (including expected 4 <sup>th</sup> ROPS RPTTF Distribution and other revenues) will be insufficient to fund enforceable obligations on 4 <sup>th</sup> ROPS (§ 34183(b))	May 1, 2013
9.	CAC makes 4 <sup>th</sup> ROPS RPPTF Distribution (§ 34184(c))	June 1, 2013