

**City of Culver City, California
Agenda Item Report**

Meeting Date: 10/22/2012		Item Number: <u>C-1</u>	
BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY AGENDA ITEM: Approval of an Amendment to an Existing Professional Services Agreement with Macias Gini & O'Connell LLP to Perform Due Diligence Reviews as Required by AB 1484.			
Contact Person/Dept.: Jeff Muir, Finance		Phone Number: (310) 253-5865	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (10/18/12); Successor Agency (10/17/12)			
Department Approval: Jeff Muir (10/12/12)		Successor Agency General Counsel Approval: Carol Schwab (by H. Baker) (10/15/12)	
Chief Financial Officer Approval: Jeff Muir (10/12/12)		Executive Director Approval: John Nachbar ()	
<u>RECOMMENDATION:</u> Staff recommends the Board of Directors of the Successor Agency to the Culver City Redevelopment Agency (the “Successor Agency”) approve an amendment to the existing professional services agreement with Macias Gini & O’Connell LLP in the amount not-to-exceed \$100,000 to perform the due diligence reviews as required by AB 1484. <u>BACKGROUND / DISCUSSION:</u> Pursuant to Health and Safety Code Section 34179.5, each successor agency must employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. Each review must determine the net balance of the Low and Moderate Income Housing Fund (the “LMIHF”) and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities as of June 30, 2012 (the “Due Diligence Review”). Section 34179.5 also requires a similar review of all other funds and accounts held by the successor agency to determine unobligated balances available for transfer to taxing entities. Health and Safety Code Section 34179.6 requires each successor agency to submit the Due Diligence Review to the oversight board for the oversight board’s review and approval.			

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Due to the short time constraint to complete the Housing due diligence review, a contract for \$30,000 was approved by the Executive Director with the firm of Macias Gini O'Connell (MGO). The final cost of the Housing due diligence review was \$33,000. The additional cost for the second due diligence review for all non-housing assets will be much more comprehensive and is estimated at up to \$67,000. Therefore, staff is recommending the Successor Agency Board approve an amendment to the existing agreement, making the not-to-exceed amount \$100,000.

FISCAL ANALYSIS:

The total cost for both required due diligence reviews is not expected to exceed \$100,000. This amount will be funded by the Administrative Cost Allowance.

ATTACHMENTS:

None

MOTION:

That the Successor Agency Board:

- 1) Approve an amendment to the existing professional services agreement with Macias Gini & O'Connell LLP in the amount not-to-exceed \$100,000 (a \$70,000 increase) to perform the due diligence reviews as required by AB 1484;
- 2) Authorize Successor Agency General Counsel to review/prepare the necessary documents; and
- 3) Authorize the Executive Director to execute such documents on behalf of the Successor Agency.